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## ABBREVIATIONS USED IN THIS INDEX

AHEPA. American Hellenic Educational Progressive Association	ICCICA. Interim Coordinating Committee for International Commodity Arrangements	OEEC. Organization for European Economic Cooperation
ANZUS Council. Council created by treaty between Australia, New Zealand, United States	ICDV. Import certification-delivery verification	PASO. Pan American Sanitary Organization
CMC. Collective Measures Committee.	ICFTU. International Confederation of Free Trade Unions	PICMME. Provisional Intergovernmental Committee for Movement of Migrants from Europe
ECAFE. Economic Commission for Asia and the Far East	ICSU. International Council of Scientific Unions	TCA. Technical Cooperation Administration
ECE. Economic Commission for Europe	IFCTU. International Federation of Christian Trade Unions	U.K. United Kingdom
ECOSOC. Economic and Social Council	IIA. International Information Administration	U.N. United Nations
EFU. European Payments Union	IJC. International Joint Commission	UNESCO. United Nations Educational, Scientific and Cultural Organization
FAO. Food and Agriculture Organization	ILO. International Labor Organization	UNICEF. United Nations International Children's Emergency Fund
GATT. General Agreement on Tariffs and Trade	IMC. International Materials Conference	UNRWA. United Nations Relief and Works Agency for Palestine Refugees in the Near East
HICOG. United States High Commissioner for Germany	IMF. International Monetary Fund	USIS. United States Information Service
IAU. International Astronomical Union	ITU. International Telecommunication Union	U.S.S.R. Union of Soviet Socialist Republics
IBRD. International Bank for Reconstruction and Development	MSA. Mutual Security Agency	VOA. Voice of America
ICAO. International Civil Aviation Organization	NAC. North Atlantic Council	WHO. World Health Organization
	NAT. North Atlantic Treaty	WMO. World Meteorological Organization
	NATO. North Atlantic Treaty Organization	
	OAS. Organization of American States	

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# bulletin

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AUG 1 1952

**Laying the Cornerstone of the American Memorial Library at Berlin***Remarks by Secretary Acheson*

*On June 29 Secretary Acheson spoke at cornerstone-laying ceremonies at the site of the American Memorial Library at Berlin. The previous evening he attended a dinner given by Mayor Ernst Reuter of Berlin and presented to his host a volume for the library. Following are texts of his remarks on the two occasions.*

**A TOKEN OF SPIRITUAL FELLOWSHIP***[Released to the press June 28]*

We will witness tomorrow the ceremonial laying of the cornerstone of the American Memorial Library, a monument to the fellowship of the American people and the people of Berlin. In connection with this ceremony, I would like to present to you, Mr. Mayor, a token of spiritual fellowship a century old. This is a volume which contains copies of more than 50 letters exchanged between Carl Schurz, a liberal of German birth, and President Abraham Lincoln. These letters were written before and during the Civil War period and deal with philosophical and political problems as well as with strictly military ones. This book is the only one of its kind. It has been prepared for this occasion by the Library of Congress, which I understand has agreed to enter into a cordial working relationship with the American Memorial Library.

The year 1952 is the one hundredth anniversary of Carl Schurz' immigration to the United States. I am sure you are familiar with his extraordinary career in the United States. He rose from the ranks of local politics, and became later Minister of the United States to Spain, Brigadier General of Volunteers in the Army of the Potomac, U.S. Senator from Missouri, and Secretary of the Interior in the Cabinet of President Hayes. Many of our foreign-born citizens have attained great stature and national fame in the United States. But few have reached a position of such eminence as Carl Schurz. There are many good reasons for this. Schurz was a brilliant man, and gifted orator, writer, politician, and statesman. What is more, he was a fighting liberal, a man inspired

by deep humanitarian principles and devoted to the democratic concept that all men are created equal. It was the fine heritage of 1848 which he defended all his life and which endeared him to the American people and to Abraham Lincoln. During the Presidential campaign of 1860, Lincoln wrote Schurz: "To the extent of our limited acquaintance, no man stands nearer my heart than yourself."

This correspondence between Lincoln and Schurz brings out a number of differences of opinion regarding military affairs, and this democratic give and take is in itself interesting. It also shows a remarkable similarity of views in such fundamental matters as the abolition of slavery, the necessity for the preservation of the Union, and the adoption of a liberal policy for the postwar reconstruction of the South and its integration into the Union.

I am happy to make this contribution to the contents of the American Memorial Library. May the ideals of Carl Schurz and Abraham Lincoln inspire and guide the defenders of freedom, in Berlin as in America.

**"FREEDOM TO LEARN, TO STUDY, TO SEEK THE TRUTH"***[Released to the press June 29]*

Today we are laying the cornerstone of the American Memorial Library. It is to be open to all who desire to enter and learn what men of all nations and all beliefs have thought and written.

When Mr. McCloy<sup>1</sup> suggested to me last month that I might like to come to Berlin and take part in the dedication of this building, the suggestion appealed to me immediately. I have been anxious to return to Berlin and to see and feel again, as I did in 1949, the great courage and vitality that make the people of this city a source of inspiration in this sorely tired world.

At the same time this honor rightly belonged to Mr. McCloy. For we are dedicating this li-

<sup>1</sup> John J. McCloy, U.S. High Commissioner for Germany.

brary today because Mr. McCloy, 21½ years ago, had the idea of erecting a practical and enduring memorial to serve as a constant reminder of the spirit of cooperation and mutual respect which has characterized the relationships between Americans and Berliners in recent years. Berlin needed many things and Mr. McCloy hoped that the memorial would contribute to the enrichment of the lives of all Berliners, East and West.

With this guiding principle in mind, a group of Americans and prominent Germans met to discuss possibilities. Many suggestions were presented but the one which received overwhelming support was for a public library.

They chose well. For it is not only a building which we are dedicating today but a symbol of our common cause and of our joint undertakings. More important, perhaps, it signified the fact that the freedom we seek to promote is ultimately a very simple, very unpretentious, and very personal affair. It is freedom to learn, to study, to seek the truth. This is the essence of a free society. This is the source of our greatest strength.

Our American forefathers early recognized the close connections between knowledge, truth, and freedom. They recognized that the intellectual and spiritual inheritance of any generation must be acquired by that generation. Concrete things, such as land and wealth, can be inherited from the preceding generation. But the only way really to receive an intellectual and spiritual inheritance is to relearn it, to reacquire it. We know that it is possible for a single generation to lose the most important elements of the culture that has been handed down to it.

This was something which the pioneers who came to our country understood and with which they were deeply concerned. Even as our forefathers cut the trees down and protected themselves against attack, they saw how quickly their own heritage would be lost unless something earnest and drastic was done. Beginning in those early years and continuing throughout the history of American migration across the wide continent, it was of primary and not secondary importance to provide schools, colleges, meeting houses, and libraries at each new outpost. And with its roots in those early heroic efforts, these institutions have kept alive, and expanding, and available to all who earnestly seek it our rich inheritance.

We are indebted to the Old World for the basis of our cultural heritage, but we have extended the frontiers of knowledge to the common man. Knowledge in our eyes is not the privilege of the expert or of the mighty; it is the property of everyone who strives earnestly to attain it.

In America, the public library symbolizes this philosophy. It is for these reasons that I feel it is particularly appropriate than an American memorial should take the form of a public library.

## Tribute to German Culture

The memorial library is also a tribute to Berlin's cultural heritage which has been generously shared with us. We remember that our own cultural heritage owes much to Germany and to Berlin. We have benefited greatly from your academies and your learned men. The fame and influence of Berlin's academies of science and of the arts, its university, its theaters, its music, and its great publishing trade, have been deeply felt in America. Not only the youth of Germany but the young men and women from all over Europe and from the United States came to Berlin to receive their training in your educational institutions and in turn to carry the messages of the Humboldts, of Virchow, and Mommsen all over the world. The wealth of creative activity which characterized the life of Germany and of Berlin in the early part of the century, and particularly in the twenties, continues to exert influence around the world.

Two thousand years ago it was written: "and ye shall know the truth and the truth shall make you free." Today, as then, truth and freedom are inseparably joined. Tyrants may seek to throw up barricades against the truth. But truth will prevail and with it freedom.

There are nations today who seem to be deathly afraid of this freedom. Free access to knowledge, open shelves, unchecked selection of books—all this is anathema to them. They have placed their books under lock and key; they ban the written and spoken word when it originates with uncontrolled sources. They punish severely those who seek the truth wherever it may be found.

Nothing can point up in more telling fashion the nature of the conflict which divides our world today than this: where others retire behind barbed wire, we open wide the doors to knowledge so that the truth may guide us.

The American Memorial Library will remind future generations of the spirit of fellowship which the people of America and the people of Berlin have demonstrated in maintaining jointly the freedom of the city. We Americans have always felt a deep kinship with those who are staunch in the defense of their liberty. Generations of early Americans, in the face of almost constant danger, never wavered in their determination to defend their liberty, if need be, with their bare hands. The Freedom Bell which tolls from your city hall in Schönberg and our Liberty Bell in Philadelphia are symbols of this determination.

This memorial declares the sympathy and respect of the American people for the unfaltering struggle of the people of Berlin under the inspiring and confident leadership of Mayor Ernst Reuter to defend their liberties in the face of the threats and intimidation of a system which makes denial of free thought a primary tenet.

While we honor those who are engaged in the

defense of their freedom, we never forget those other Germans who have been deprived of their liberty. With those Germans of the Soviet zone, who despite all threats and hardships have kept burning in their hearts the flame of liberty, truth, and the rule of law, we look forward eagerly to that day when they may rejoin the free world in a Germany united in peace and honor. In the meantime, through their courage and steadfastness they are aiding in the restoration of German unity and freedom. To these people and to us, Berlin remains a symbol of the goal of German unity.

A few weeks ago, as you know, the Government of the United States, together with the Governments of France and Great Britain, concluded a very important agreement with the Government of the Federal Republic. For all practical purposes, this agreement will give the Federal Republic the powers of self-government and the status of equality in international relations, which are the prerogatives of free nations.

The agreement does not apply to Berlin, although Berlin will benefit indirectly from the new arrangements. It is our intent that the people of Berlin enjoy to the fullest extent possible the rights and privileges enjoyed by free men everywhere.

The responsibility for such restrictions as remain rests squarely on those who do not wish to recognize the rights of all Germans, East and West, of free elections, to live in freedom under one government and one constitution. The responsibility must rest with those who do not wish to acknowledge the great progress made in Western Germany toward political sovereignty and prosperity and who wish to turn back the clock on this progress. The responsibility must rest with those who feel that they can serve their own ends only by keeping the rest of the world in a state of intimidation or servitude. They shall not succeed.

#### **Continued U.S. Support for Berlin**

Whatever the political or legal status of Berlin is to be for the time being, it will affect in no way United States support for the welfare of the city and the safety of its citizens. We have joined the Governments of France and Great Britain in reaffirming our abiding interest in the protection of Berlin. We have given notice, in plain and unmistakable language, that we are in Berlin as a matter of right and of duty, and we shall remain in Berlin until we are satisfied that the freedom of this city is secure. We have also indicated in unmistakable terms that we shall regard any attack on Berlin from whatever quarter as an attack against our forces and ourselves.

I mention another memorial in Berlin which Berliners themselves have dedicated. It is the memorial to those valiant men, Allied and Ger-

#### **The American Memorial Library at Berlin, Germany**

*[Released to the press June 28]*

The American Memorial Library, Berlin, is a gift of the American people to the citizens of Berlin to commemorate the end of the period of Occupation by the American Armed Forces. John J. McCloy, U.S. High Commissioner for Germany, looking forward in 1950 to the end of the Occupation period, expressed his desire that this memorial should take some cultural form expressing the American way of life, which would be most acceptable to the citizens of Berlin. Among the suggestions made at the time were an opera house, a museum, a concert hall, and a library. A committee of leading citizens of Berlin met and expressed their preference for a library. The Office of the United States High Commissioner for Germany then set aside the sum of 5,000,000 DM from counterpart funds derived from the Marshall Plan, 4,000,000 of which were to defray the costs of the building and 1,000,000 for books and periodicals. Mr. McCloy said at the time the grant was made on August 17, 1951:

"It is not only money but something tangibly good. I hope it attains the objective we have in mind—to help restore this great city to the status it once had and to continue its reconstruction as a symbol of freedom to the whole world."

In accepting the grant Dr. Walter Schrieber, the Acting Mayor of Berlin, replied:

"We are especially grateful that this grant will be used for a library, because we have suffered not only great physical damage, but also great spiritual damage. This gift will not only help us in our general cultural life, but will aid us in the education of our youth to enable them to play their part in the establishment of a free world."

Approximately 200 German architects living in Berlin and in the Western zones of the German Republic took part in the democratic architectural competition which followed. While prizes were given to the best designs by a jury including Germans and Americans, the final design for the building which is now being erected was derived from the best features of the four most outstanding designs submitted. The 6-story structure will be 525 feet in length and the library 250 feet wide at its greatest depth with a book capacity for approximately one million volumes. The interior will reflect American library practice with the open-shelf system predominating, thus making the books and periodicals readily available to the German public.

Plans are being made so that the contents will not duplicate the holdings of existing scientific and technical libraries in Berlin, nor the new library of the Free University of Berlin which the Ford Foundation has recently presented. It is planned, however, to establish a central catalog in the library in which the titles of the books in the other libraries in the Western sector of Berlin will be listed. Like the public libraries in our American cities, it will contain books primarily useful to the ordinary citizen, whether he be a musician, journalist, teacher, laborer, or public servant. Provision has also been made for a music room and a children's library. In general it will reflect the fundamental American principle that access to truth and knowledge is not only the privilege but the inherent and inalienable right of the citizen.

man, who gave their lives during the airlift so that this bastion of freedom might survive.

One of the significant details about the airlift which has gone almost unnoticed is the fact that it brought to Berlin, along with food and other essential goods, approximately 4,000 technical volumes donated by American universities and institutions designed to assist in the establishment of the library of the free university. In addition, it brought to Berlin an average of 60 tons of paper weekly for use in producing books and periodicals and at the gravest period of the airlift 210 tons of newsprint weekly to permit the continued publication of Berlin's free press. This was a powerful demonstration of the understanding that learning and truth are part of the very breath of life in a free society.

This is the spirit inherited and carried forward by the institution we are here to dedicate. The airlift memorial is a monument to the dead; this building will be a monument to the living. Both monuments are symbols of freedom.

It is my hope that the doors of this library will never be closed to those who earnestly seek the truth, and that it may serve, as far as possible, the entire population of Berlin, both East and West, and that every citizen may find here the knowledge and truth which are so basic to our freedom.

I should like to leave with you words spoken by Thomas Jefferson in connection with the founding of the University of Virginia. Jefferson said:

This institution will be based on the illimitable freedom of the human mind. For here, we are not afraid to follow the truth wherever it may lead, nor to tolerate error so long as reason is left free to combat it.

## Secretary Acheson Departs for Europe and Brazil

*Statement by the Secretary*<sup>1</sup>

As you know I am making a very quick trip to London, to Berlin and Vienna, and from there to Brazil. In England I shall be discussing a number of things with Mr. Eden and with the French Foreign Minister. I am also going to Oxford where an honorary degree is being conferred on me.

At Mr. McCloy's suggestion, I shall spend a day in Berlin where a memorial library is being dedicated. This will give me an opportunity to pay tribute to the Berliners whose courage and tenacity in the face of great harassment has been admired by everyone in the free world.

From there I am going to Vienna at the invitation of the Austrian Government where another

brave and determined people have been patiently waiting for the independence promised them in 1943.

Foreign Minister Neves de Fontoura's invitation for me to visit Brazil on the return trip will afford me an opportunity to see for the first time the great sister Republic which has such long and firmly established ties of cooperation and good will with the United States. My only regret is that I cannot on this occasion visit the other republics of this hemisphere as well.

## Visit of British Ministers of Defence and State

*Text of Communiqué*

[Released to the press June 24]

Field Marshal Lord Alexander of Tunis, the British Minister of Defence, and Mr. Selwyn Lloyd, the Minister of State in the Foreign Office, spent Monday, June 23d in Washington in a series of informal meetings at the Department of Defense and the Department of State. The American representatives engaged in the discussions included Mr. Robert Lovett, Secretary of Defense, General Omar Bradley, Chairman of the Joint Chiefs of Staff, and Mr. David Bruce, Acting Secretary of State.

The British Ministers gave a description of their recent journey which included visits to Japan and Korea. During the journey Lord Alexander and Mr. Lloyd had had the opportunity of conferring among others with General Mark Clark, Commander-in-Chief of the United Nations Command for Korea; Mr. Robert Murphy, United States Ambassador to Japan; General James Van Fleet, Commander of the 8th Army; General Naydon Boatner, Commanding Officer of the Prisoner of War Camp at Koje-do; and General A. J. H. Cassels, Commander of the Commonwealth Division of the United Nations Forces. The Minister of State also visited the United Nations Organizations in Pusan concerned with the rehabilitation of Korea.

During the talks in Washington, the American and British representatives discussed all aspects of the Korean campaign, including the prospects of bringing the armistice talks to a successful conclusion and the importance to the United Nations cause of stable political conditions in the Republic of Korea. The conversations proved most useful to both sides.

Lord Alexander and Mr. Lloyd concluded their visit with a call on the President of the United States at the White House this morning. They leave tonight by air for London.

<sup>1</sup> Made at the Washington National Airport on June 22 and released to the press on the same date.

## Wellsprings of American Democracy

by Francis H. Russell

Director of the Office of Public Affairs<sup>1</sup>

Before telling you *what* I am going to talk about, I would like first to tell you *why* I am going to talk about it.

First was something that happened to one of our Point Four experts when he was on assignment in India to help increase the corn yield in that country. On the very first morning, in the middle of the discussion, one of the Indian farmers interrupted the talk on corn planting by demanding of the expert: "What is your philosophy?" That was not as peculiar as it sounds. Corn, and what we can do to help India grow more of it, is important to Indians, but even more important in their eyes is understanding "our philosophy."

The second reason for the subject of my talk was something that happened to me personally. I took a trip a short while ago to some of the NATO countries. I found that more frequent than questions about our military strength or our economic production were questions designed to find out about the average American's attitude toward race relations. How do we square, for instance, the segregation we have here in the Nation's Capital with our Declaration of Independence? You find this concern everywhere. And I found them genuinely interested in learning about the great progress we have made over the past hundred years—and are making today—in dealing with this whole broad problem.

The third reason was an article that appeared a while back in one of our American periodicals. A Columbia University professor, writing in *Foreign Affairs*, said: "The United States is facing [the present world crisis] with the . . . ideological equipment of 1775. . . . Our principal weakness today is not economic or military,

but ideological—not a matter of goods or guns, but of ideas."

A high-school teacher put it, I believe, even better in an article in the *Saturday Evening Post*. "It is a tragic commentary," she said, "that millions of Americans would willingly die to save the Constitution but only a few of them will ever read it. I can refer my students," she said, "to authoritative sources on foreign isms, Marx and Engels' *Communist Manifesto*, Lenin's *The State and Revolution* . . . Hitler on National Socialism . . . but who or what is authentic on contemporary Americanism?" "When we take an oath of allegiance," she said, "we should be able to explain the thing to which we give our allegiance."

There are scores of editorials written every week in American newspapers pointing out that we need to be more than just *anti-Communist* and *anti-Fascist*. We need to be *pro* something. But rarely do any of them go on to say *how* we should give expression to this "pro."

Our difficulty stems, in part, from the fact that we have been so busy here in America for the past century and a half *building* our democracy, in living it and applying it, that we have taken no time to give verbal expression to it. The difficulty is greater, of course, because it is not possible for a society like ours, that represents multifarious vitalities, forces, values, and beliefs, to present a single fanatic creed. Life for us is not a one-dimensional proposition—as it is with the Communists with their exclusive insistence on economic determinism.

The final reason for my subject is you 4-H Club members who are going to foreign countries this summer. You will be questioned. People will try to find out from you what makes Americans "tick"; what the "philosophy" is that has enabled this country to give its people the highest standard of living in the world and the greatest freedom.

<sup>1</sup> Address made before the 22d National 4-H Clubs Camp at Washington on June 24 and released to the press on the same date.

But they are interested also because they see the world today split between two ways of life, and the United States is the acknowledged leader of one of them.

The Communists fill the air with charges that we are a crass, money-mad, ruthlessly competitive society. They say we have large oppressed minorities; that we are bent on war; that we are promoting colonialism politically and economically; that we push smaller nations around; that we live, ourselves, under a dog-cat-dog system that gives the lesser dogs only the "leavings."

These are some of the things our friends have heard about us. Few of them really believe it but they are anxious because they know that we must provide the leadership for the free world and they want to know into what kind of hands this leadership has gone.

So they will ask you such questions as "What is America's philosophy?"

### America's Philosophy

That is what I want to talk about this afternoon. It is the biggest single piece of unfinished business in our struggle against the enemies of a free society. Our program for military preparedness is well under way. Our international political institutions are daily becoming stronger. The free world's economy is potentially adequate. Those are three of the fronts on which the present struggle is being waged. But the struggle of ideas is the first and the foremost front of all.

Now, the most important thing to notice about this item of unfinished business is that it must be finished by American citizens themselves. We can set up a military establishment to be responsible for organizing our defense. We can hire economists to tackle our economic problems. But we cannot hire people, in a democracy, to tell us what we think, how we live, and the things we stand for. For the essence of our beliefs is that no person or group of persons ought to dictate to us a body of political doctrine. Everyone of us has the responsibility to help provide *an* answer, and no one of us can give *the* answer.

Right there, of course, is the fork in the road that divides us from the Communists. Almost any Communist anywhere in the world can give the Communist answer on almost any world problem. That is because the Communist answers are fixed by a very small group of men and every Communist, if he really *is* a Communist, has to give that answer, and no other.

That seems at first blush to give them something of an advantage: every member of the organization knowing how to find out quickly and easily what to say, and saying it.

The situation in a democracy, where no two people say exactly the same thing because it is believed that each person not only *may* think for himself but that he *should* do so, may seem chaotic.

But we should remind ourselves of John Burroughs' comment: "Nature always hits the mark because she shoots in all directions."

In a society where everyone is free to think and to submit his thoughts for honest discussion, we are more likely to come upon the eternal truths than in a society like that of the Soviet Union where everyone "shoots" in just one direction. The chance of that one direction being right is infinitesimally small.

This does not mean that a democratic society, any more than the individuals who make it up, must always be running off in all directions. But it does mean that it can look in all directions before making up its mind and setting its direction. It is not bound and blindfolded by an authoritarian political creed. This is one of the reasons for our insistence upon freedom of thought, freedom of the press, freedom of speech, and freedom of assembly.

I said a moment ago that each one has an obligation in a democratic society to think through what he believes to be the essence of the democratic way of life. You have that obligation. And so do I.

If I were to be in Italy next week, as some of you will be, and were to have an Italian university student come up and ask me what "my philosophy" of democracy is and how it differs from the philosophy of communism that he hears so much about, I would try to draw upon some of the things I have been hearing Americans say in the last year or two and I would say something like this:

### Conversation With a Friend

"You can understand American democracy, my friend, only if you realize that it is not a particular constitution, a particular set of laws, or economic system, or religion. It is an approach, an attitude, a freedom to think in all directions.

"There are several ways anyone could go about defining our democracy for you. One would be to describe its operations and manifestations: how our labor unions work; how our business organizations are owned and run—for instance, how a typical American big business has some 50,000 owners; how America tends toward a classless society because of its great mobility, horizontally and vertically; about our graduated income and inheritance taxes, putting the burden of government on a more equitable basis; our social security; our nongovernment organizations; our church life; our public schools; our widespread opportunities for higher education, not to mention county fairs, town meetings, community chests, amateur musicals, and all the rest. Some of these things we have evolved ourselves. For many of them we have drawn upon the experience of other peoples.

"But another way to define our democracy, my friend, and the one that I would like to try for

you today, is to search out the sources, the well-springs, that have made our democracy what it is and that keep it going.

"If we do this we find that American democracy has three main sources upon which it has drawn. And in these three sources, incidentally, you find the basic differences between American democracy and Soviet communism.

### Sources of the American Democracy

#### (1) *Experience of the Ages*

"The first source of American democracy is what we may call *the experience of the ages*. The millions of pilgrims who have come to our shores have brought with them the accumulated wisdom of their people down through the centuries: experience in such things as how to organize town affairs; how people of different religions can get along with each other; how to set up legislatures and institutions of justice; how to provide fairly for the ownership of property. All of these things are the result of centuries of trial and experiment, of discarding the unworkable and keeping the good. No small group in our country has ever been in a position at any time to decree that such and such would be the way that things should be done. We drew upon what seemed to be the best in many countries and have continued to change and improve.

"The Communists, on the other hand, believe that the ways that have been worked out through the centuries are evil. They have a few people who sit down and decide how things shall be. And this single pattern they impose by force wherever they go. It is a synthetic fabrication to fit the theories of a few individuals. In most of its fundamentals it flies in the face of all experience. But when they make a decree that is the way it is, even though, as in the case of the communizing of the farms of Russia, it results in the death of millions of people.

"Of course, all societies have conflicting interests. It is inherent in nature. But in a democracy these conflicts are resolved by the majority of the people or their representatives. In a totalitarian state they are resolved by force, purges, executions, and slave camps.

"All of history shows that if men are chained and oppressed, there are upheavals, reprisals, and bloodshed; that stability is possible only in a society where men have freedom. No government can endure for very long if it denies people the right to seek truth and to proclaim it.

"In short, freedom works and oppression does not.

"So the experience of the ages is the first source of our beliefs.

#### (2) *Growing Knowledge of the Nature of Man*

"The second great source of American democracy, my friend, is what we may call *our constantly growing knowledge of the nature of man*.

"Our Declaration of Independence, in its most famous phrase, said that all men are endowed by their Creator with certain unalienable rights, among them being life, liberty, and the pursuit of happiness. The framers of the Declaration thus stated their belief that the indispensable prerequisite of happiness is liberty; the indispensable prerequisite of liberty being life itself.

"You find the phrase, 'the happiness of the people,' all through the sayings and writings of the early Americans who addressed themselves to the problem of the purposes of society.

"Listen to the words of the preamble of the Constitution of one of our States, the Commonwealth of Massachusetts:

The end . . . of government is to . . . furnish individuals with the power of enjoying . . . the blessings of life . . . it is instituted for the . . . happiness of the people; and . . . the people alone have an incontestable . . . right to . . . alter . . . [it], when their . . . happiness require[s] . . .

"This concept was for a while brought into disrepute because of an attempt to equate 'happiness' with 'pleasure.' But our forefathers knew what they meant. They knew there is an unhappiness that is the lot of slaves and of those who are ground down by poverty or ignorance, just as millions today know it in a society characterized by the sudden knock on the door, the enforced spying of friend upon friend, and terrorism.

"And they knew there is an 'inward happiness' that comes from the growth of the individual personality, from participation, from using one's powers, from a sense of belonging.

"All that we have been able to find out about the nature of man—and our store of knowledge about what makes for his 'inward happiness,' and what does not, is growing rapidly—points equally to this same need for him to have freedom to grow—to grow physically, mentally, and spiritually, to have a sense of worth, a sense of moving forward.

"Listen to modern psychology: 'All cells,' it says, 'so long as they are living, are functioning. And in every form of living substance exists an inclination toward a specific series of processes. The spinning apparatus of the spider, the wings of the bird, the feelers of the crustacean have a drive toward activity. So it is with the infinite capacities of the human being, physical, intellectual, and spiritual.' 'Happiness,' the psychologists say, 'is what results from the success of the process of working toward the goals of these infinite human functions.'

"All this is not just pure theory. For example, with the growth of industrial society the problem arose, how do assembly-line workers achieve this full life? We have found from experience that for man to be really happy, his activity must be end-guided. If the worker is reduced to the status of a means and denied any goal except the intrinsic one of wage, the wage, however great, cannot

redress the deep wrong to his personality involved in the denial.

"Ours is a competitive society, and the competition stems from the desire of the individual to prove to himself his own worth. He measures it by looking around him and seeing what the achievements of other human beings have been. We accept conflict and utilize it.

"Communism is based on 'cooperation' but it is a cooperation which it finds is necessary to enforce the police state.

"All through our effort, as you see, has been the premise that the final and ultimate values are the human beings who make up the society; the premise that society was made for man and not man for society.

"And here we come upon a curious irony. Because the great threat today is the threat to the freedom of the individual, a great deal of the literature about the democratic way of life deals with the rights of the individual; and this has led to many people abroad thinking of us as rabid individualists with each man pursuing his own lonely path.

"The truth is, my friend, that Americans have an unusual capacity for cooperation. Community life is at the core of our pattern of living. Freedom of association between people is our great unwritten freedom. We believe the more bodies of society you have, the stronger and healthier will be the resulting structure. So we are bound together not only by the state but by a thousand additional ties. We are the greatest 'joiners' in the world.

"Here again we have a conflict between democracy and the authoritarian society. Under the Soviet system you have no honest communities, because under a police state each person has to be on his own. He cannot trust even the members of his own family. A Communist is the touchiest person in the world.

"In the eyes of the Kremlin, power flows *down* from the state, not *up* from the people, and human beings are pawns, cogs, instruments to serve the regime. Therefore, knowledge about the nature of man is of little importance.

"The Communists lay claim to having found the scientific approach to human relations. But it is a spurious claim. The science they apply is the mechanical science of the machine—and man is not a machine.

"We are entitled, however, to say that, in a profounder sense, the process of democracy *is* scientific. Given the problem as being one of an adjustment of human relations calculated to satisfy the claims made upon one another by individuals and groups in the hurly burly of human contacts and the frictions which those contacts produce, the democratic process is perhaps the most scientific possible. It is based upon this rapidly growing science of the nature of man.

### (3) *A Spiritual Approach to Life*

"The third source of our American way of life, my friend, is the *great body of mankind's spiritual insights*. Americans can be understood only by understanding what Lord Bryce called 'their strong religious sense.' He put it first among their traits—before their 'passion for liberty,' 'their individualistic self-reliance,' and even before 'their suspicious attitude toward officials.'

"We believe, with Jefferson, in the existence of a moral instinct, and with Lao-Tze that only that government has value which is in accord with this moral nature.

"Many of our early settlers came here to escape religious persecution, and we have always had a great concern with freedom for religious convictions and for varieties of religious worship. Many Americans are adherents of formal religions; many, like Lincoln, have drawn their inspiration from less formal convictions, from a 'reverence for life' and a devotion to man's duty toward man.

"From this 'religious sense' flow the honesty, devotion to duty, and respect for human life, as well as the understanding, the sympathy, the warmth, the tolerance, the forbearance which underlie our political and economic life and permeate our daily pattern of living—and without which no formal institutions of society, no matter how perfect, can long function effectively. Needless to say, we do not practice to perfection all of these things that we believe: but we tend to have a bad and uncomfortable conscience when we don't.

"Here, too, we find a head-on conflict between democracy and communism. Communism was conceived in hate—and it is still saying the same things in the same way after a hundred years, although the present conditions of labor in the United States would be beyond the wildest thoughts of Marx, and although the place where labor conditions are nearest to those against which Marx inveighed are today in the Soviet Union. This hate shows itself in the speeches of vituperation that Communist representatives continuously make in the United Nations, over the air waves and among their own people.

"Communism denies categorically the spiritual approach to life. It calls religion 'an opiate for the masses.' It proclaims materialism and glorifies it.

"Now you may ask, my friend, whether the principles that underlie our democracy are applicable in other areas and to other people, or are they possible only in our special circumstances.

"A partial answer is to be found in the fact that we have a mixed racial and cultural heritage, a tradition of universality.

"The second answer is that man, himself, is still man no matter where you find him. His physical wants are the same, and so, basically, are his spiritual wants. Indeed, here in our own country the environment, and the nature of the social prob-



lems, have changed. A hundred and fifty years ago ours was largely a frontier society, predominantly agricultural. One person in twenty lived in the city. Today that frontier has disappeared. We have become an industrial society. Two-thirds of our people live in cities. But the basic principles still apply and will as long as men remain men.

"It would be a mistake, therefore, to regard these three wellsprings of our democratic society as something only of the past.

"We are 'the continuous revolution,' the revolution of ordered progress for the common man. It is operating today as powerfully as ever."

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These are some of the things that I would say to my young Italian friend if he were to ask me about American democracy.

And then I would also say: "We of the mid-twentieth century have an exciting prospect. We have the opportunity to lay the foundations of a democratic world. It is a challenge which none of us, anywhere, can escape. The rewards of success, or the penalties of failure, will accrue to everyone."

## The Meaning of Citizenship

by *Howland H. Sargeant*

*Assistant Secretary for Public Affairs*<sup>1</sup>

Standing here in the shadow of this memorial to one of the greatest of all Americans, I think of what the essence of good citizenship is as Jefferson saw it. To him citizenship meant an obligation and a sacred trust.

The citizenship pledge of the 4-H Clubs reflects Jefferson's ideals. I like particularly the closing paragraph:

We will endeavor to transmit this nation to posterity not merely as we found it but freer, happier and more beautiful than when it was transmitted to us.

You will not go far wrong if you make that pledge your test of good citizenship.

In these troubled times young people are often confused. You wonder, very naturally, what *you* can do to make your America freer, happier, and more beautiful. The 4-H Clubs are, I think, showing you the way. They give you the basic principles of good citizenship—and teach you how to live and work by them.

I was particularly impressed this morning when I watched a group of your club members

receiving their commissions as "Grass Roots Ambassadors."

This particular group, I was told, will go to 22 countries—in Europe, the Near East, and Africa. They will live and work with the peoples of these countries. They will learn, but they will also teach.

What an opportunity! And what an expansion of the concept of good citizenship! For your generation the horizons have widened to include the whole world, and you have the courage and confidence to handle that responsibility.

Not all of you, of course, have been given this responsibility. You are, however, backing the 4-H Clubs' "ambassadors of good will" with both material and moral support. Each of you participates, in a fashion, in everything these boys and girls do in spreading good will for America abroad.

This fall some of you will cast your first vote. As free men and women you will have your say in the kind of Government under which this country will operate for the next 4 years, or perhaps longer.

His vote is the good citizen's greatest privilege and greatest responsibility. I hope you, all of you who are eligible, are going to vote. Unfortunately, many Americans do not. A recent survey, in fact, showed that in 1950 only 41 percent of the potential voters of the United States actually cast a ballot. For some of these negligent citizens there was, perhaps, an excuse. For the great majority there was not. They merely failed to meet the responsibility entrusted to them.

Some of you boys, this year perhaps, will be called upon to assume one of citizenship's gravest responsibilities—to defend, in uniform, the freedom won for you by such men as Jefferson.

Here, again, it is a question of privilege and responsibility. A young veteran, Maj. [then Capt.] James Jabara, ace jet pilot of the U.N. Forces in Korea, returned from Korea. He was interviewed by a reporter from his home town of Wichita, Kans. The reporter asked him: "Why are we fighting in Korea, Captain?"

Jabara answered: "So we won't have to fight in Wichita, Kans."

Your duty may not take you to Korea. But wherever it takes you, keep that fact in mind. If you serve in Korea or Europe, or remain in the United States, the answer is the same. You are defending your freedom in Wichita, Kans., in Louisville, Ky., in any town in the United States you may name.

When this Nation was young, we were able—we, its citizens—to devote ourselves to the development of our own beautiful land. We had only occasionally to worry about other lands and other peoples.

That day is past. When the North Koreans struck at the Republic of Korea, 2 years ago at just about this time, they struck at the freedom and security of every American community, every

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<sup>1</sup>Address made before the National 4-H Clubs Camp at the Jefferson Memorial, Washington, on June 24 and released to the press on the same date.

American home, whether a farm in the country or an apartment in the city.

Major Jabara put it very tersely in that short interview. But in those brief words he said everything.

Today the horizon of the good citizen has broadened. A "freer, happier and more beautiful America" is possible only if we think and act in these broader terms.

This does not mean, for any of us, that we love America the less. These boys and girls who are leaving for their overseas assignments—upon their return they will have tales to tell of these other lands they have seen and of the people they have met. I do not think, however, that any one of them will return loving their own America the less. They will be better, more loyal, and devoted Americans for their experiences.

You have taken a pledge to serve America. Keep that pledge alive in your hearts. Work at it. And, with God's help, you will transmit to the generation that comes after you "a freer, happier and more beautiful America" indeed.

## Department Expresses Regret to Owen Lattimore

[Released to the press June 28]

On May 1, 1952, the Department announced that all passports were being stamped "Not Valid for Travel in the U.S.S.R. and its Satellites" unless such travel was specifically authorized.<sup>1</sup>

On May 26, 1952, the Department of State received from an official security source a report that Owen Lattimore was making arrangements to travel to the U.S.S.R. Pending further investigation, the Department sent a confidential stop order to the Customs Bureau requesting it not to permit the departure of Mr. Lattimore from the United States. The confidential stop-order procedure has been in force for 11 years to prevent the possible violation of laws or of Government regulations for controlling the travel abroad of American citizens. The existence of this confidential stop order was divulged in the newspapers on June 20.<sup>2</sup>

<sup>1</sup> BULLETIN of May 12, 1952, p. 736.

<sup>2</sup> In a press release issued on that date, the Department stated:

"An allegation was recently made to the Department that Owen Lattimore was making arrangements for a possible visit to the Union of Soviet Socialist Republics and/or its satellites. The Department immediately began an investigation of this allegation.

"Pending the results of this investigation the Customs Bureau was notified that Mr. Lattimore (who was not in possession of a passport duly validated for such travel) should not be permitted to leave the United States.

"Mr. Lattimore last year applied for and was granted a passport to visit Great Britain. This passport is no longer in effect and Mr. Lattimore has not since applied for a passport."

The thorough investigation of the charges concerning Mr. Lattimore requested by the Department has now been completed. The F.B.I. has notified the Department that the original informant has admitted that the story which he had furnished concerning Lattimore's alleged travel abroad was a complete fabrication.

Proceedings were instituted which resulted yesterday in the indictment by a Federal grand jury of the individual who initiated the false report.

Accordingly, the Department has revoked its confidential stop order against Mr. Lattimore. The Department of State expresses to Mr. Lattimore its sincere regret over the embarrassment caused him.

## Visit of King Feisal II of Iraq

[Released to the press June 18]

King Feisal II of Iraq has accepted an invitation to visit the United States during the months of August and September. The 17-year-old heir to the throne of Iraq will be accompanied by his uncle the Regent of the Kingdom of Iraq, His Royal Highness Prince Abdul Illah. The coast-to-coast visit will be on an informal, unofficial basis, and will include trips to various irrigation and agricultural development projects in this country. The King and the Regent will meet with the President during the course of their visit.

King Feisal will ascend the throne of Iraq on his 18th birthday, May 2, 1953. He is now a student at Harrow School in England, and will complete his studies there in July.

## Current Legislation on Foreign Policy

The Mutual Security Act of 1952. S. Rept. 1575, 82d Cong., 2d sess. [To accompany S. 3086] 1 p.

Amending the Foreign Service Buildings Act, 1926. S. Rept. 1586, 82d Cong., 2d sess. [To accompany H. R. 6661] 8 pp.

Free Importation by Religious Organizations of Altars, Pulpits, Communion Tables, Baptismal Fonts, Shrines, or Parts of the Foregoing, and Certain Kinds of Statuary. S. Rept. 1601, 82d Cong., 2d sess. [To accompany H. R. 7593] 2 pp.

Official Contribution of the United States Government to the United Nations Yearbook of Human Rights, 1950. S. Doc. 116, 82d Cong., 2d sess. 22 pp.

Convention on Relations With the Federal Republic of Germany and a Protocol to the North Atlantic Treaty. Message from the President of the United States Transmitting the Convention on Relations Between the Three Powers and the Federal Republic of Germany, Signed at Bonn on May 26, 1952 and a Protocol to the North Atlantic Treaty Signed at Paris on May 27, 1952. S. Exec. Q and R, 82d Cong., 2d sess. 328 pp.

Emergency Powers Continuation Act. H. Rept. 2041, 82d Cong., 2d sess. [To accompany H. J. Res. 477.] 46 pp.

Mutual Security Act of 1952. H. Rept. 2031, 82d Cong., 2d sess. [To accompany H. R. 7005.] 22 pp.

## Foreign Bondholders' Representatives and German Debt Conference

[Released to the press June 24]

Following is the text of a statement issued at London on June 24 by Warren Lee Pierson, U.S. delegate to the Conference on German External Debts:<sup>1</sup>

I regret that the Foreign Bondholders Protective Council has withdrawn its representative from the London debt discussions of the Young and Dawes loans.

The settlement proposal for these loans, which is now under consideration by the London conference on German debts, is entirely tentative and is subject to consideration not only from the standpoint of its implications to U.S. holders of Young and Dawes bonds but also from the standpoint of its general effect upon other creditors of Germany including all the other classes of American creditors.

Private creditor and governmental representatives of the United States, the United Kingdom, France, and the other interested countries have labored for more than a year to bring about a comprehensive and equitable settlement of the German debts. In this effort, the German delegation on external debts has given excellent cooperation. As a result of these efforts, a satisfactory conclusion of the London debt conference is within sight.

Efforts are continuing to be made to find a settlement arrangement with respect to the Dawes and Young loans which will be acceptable to all interested parties. It is to be hoped that the representatives of American holders of these bonds will return to the conference to resume negotiations regarding the Dawes and Young loans.

## Claims of Nationals For Return of Property in Japan

[Released to the press June 25]

Under article 15 (a) of the peace treaty between the Allied Powers and Japan, which came into force on April 28, 1952, the Japanese Government is required to return all property of Allied Powers and their nationals within the present territorial limits of Japan, and in cases where such property was within Japan on December 7, 1941, and cannot be returned or has been damaged, to provide compensation to property owners for their loss or damage sustained as a result of the war

<sup>1</sup>This conference, which first convened at London on Feb. 28, recessed on Apr. 4 and was reconvened on May 19. For previous announcements relating to the conference, see BULLETIN of Feb. 11, 1952, p. 206; *ibid.*, Mar. 10, 1952, p. 397; *ibid.*, Mar. 24, 1952, p. 461; and *ibid.*, May 26, 1952, p. 821.

within Japan in accordance with terms of the Allied Powers Property Compensation Law (Japanese Law No. 264 of 1951).

In order to assist American nationals who desire to file applications under the treaty for the return of their property in Japan or, in appropriate instances, claims for compensation under the Allied Powers Property Compensation Law, the Department of State has prepared, after consultation with authorities of the Japanese Government, a memorandum regarding the manner in which such applications or claims should be prepared and filed. A copy of the memorandum is being sent to all American nationals who, on the basis of information available to the Department of State, have indicated a desire to file applications for the return of property or claims for compensation. American nationals who desire to file such applications or claims, but have not previously communicated with the Department, may obtain copies of the memorandum from the Office of the Legal Adviser, Department of State, Washington 25, D. C.

Applications for the return of property must be submitted by this Government to the Japanese Government before January 28, 1953. Claims for compensation must be submitted by this Government to the Japanese Government on or before October 28, 1953. However, to insure proper consideration of applications for restitution of property and claims for compensation, they should be filed with the Department of State with the least possible delay.

## Annex to U. S.-Panama Air Transport Agreement

[Released to the press June 20]

The Department of State announced on June 20 an exchange of diplomatic notes between the Department and the Embassy of Panama implementing the route annex to the Bilateral Air Transport Agreement between the Government of the United States of America and the Government of the Republic of Panama, signed March 31, 1949,<sup>1</sup> to provide for a route for Panamanian air carriers.

Schedule two of the annex of the foregoing agreement has been amended to read as follows:

"Airlines designated by the Republic of Panama are accorded in the territory of the United States of America the rights of transit and non-traffic stop, as well as the right to pick up and discharge international traffic in passengers, cargo and mail via intermediate points in both directions at the points specified below:

"1. From the Republic of Panama to Miami, Florida via intermediate points in the Caribbean."

<sup>1</sup>BULLETIN of Apr. 10, 1949, p. 466.

# U. S., Portuguese Defense Agreement

[Released to the press June 19]

The Portuguese and U.S. Governments on June 19 released the text of an agreement regarding military facilities in the Azores signed at Lisbon on September 6, 1951.<sup>1</sup> It was announced at that time that this agreement, which would be made public, was concluded in accordance with North Atlantic Treaty Organization (NATO) defense plans.

Text of the agreement follows:

The Portuguese Government and the Government of the United States of America:

Having in mind the doctrine and obligations arising from Articles 3 and 5 of the North Atlantic Treaty signed in Washington April 4, 1949;

Resolved, in accordance with the preamble of that Treaty to unite their efforts for the common defense and for the preservation of peace and security;

Considering the necessity of executing in peacetime the measures of military preparation necessary to the common defense, in conformity with plans approved by the nations signatory to the referred to Treaty;

Taking into consideration that according to the provisions adopted in the North Atlantic Treaty Organization, the area of the Azores directly interests Portugal and the United States and that between them they must establish agreements for the determination and utilization of the facilities which it is possible for the first of the mentioned Governments to grant in those islands;

Agree as follows:

## ARTICLE 1

The Portuguese Government grants to the Government of the United States in case of war in which they are involved during the life of the North Atlantic Treaty and within the framework and by virtue of the responsibilities assumed thereunder the use of facilities in the Azores which will be provided for in technical arrangements to be concluded by the Ministers of Defense of the two Governments.

Whenever reference is made in the text of this Agreement to technical arrangements, it is understood that such reference has to do with the technical arrangements to be agreed upon by the Ministers of Defense of the two Governments, and which are hereby authorized.

## ARTICLE 2

The Governments of Portugal and of the United States, in technical and financial collaboration, and in harmony with technical arrangements to be agreed upon, will construct new installations and enlarge and improve those existing for the purpose of preparing and equipping the agreed facilities in the Azores with what is necessary for the execution of the missions for which under the defense plans they are charged with in time of war.

1) These preparatory works shall include, among other things, the storage of oil, munitions, spare parts and any supplies considered necessary for the purposes in view.

2) The term for the execution of what is set forth in the body of the present Article and in subparagraph 1 will run from the date of signature of this Agreement until the first of September 1956 with a period of grace of four months.

## ARTICLE 3

All constructions and materials incorporated in the soil will from the start be considered property of the Portuguese State without prejudice to the recognized right of the

United States to use such constructions and materials in time of war or in time of peace to the extent and in the manner provided in this Agreement, and to raze and remove them for its account at the end of the term referred to in Article 1 or if the hypothesis mentioned in Article 8 should eventuate, all in accordance with technical arrangements to be agreed upon.

At the end of the period referred to in Article 1, as well as in the hypothesis provided for in Article 8, and without prejudice to the technical arrangements referred to above, the United States may raze or remove for its account technical equipment belonging to it and not necessary to the future functioning of the bases, the Portuguese Government making equitable payment for that which it desires to acquire and which may be ceded to it.

## ARTICLE 4

Having in mind their eventual use in harmony with the provisions of Article 1, the Portuguese Government will undertake the maintenance of the facilities in all the period subsequent to the withdrawal of the American personnel, as stipulated in Article 7.

## ARTICLE 5

For the purpose of the previous Article, and in accordance with what will be agreed upon between the Defense Ministers of the two Governments, the Government of the United States will provide facilities necessary for the apprenticeship and training of Portuguese personnel having in mind the perfect functioning of the bases as well as facilitate duly qualified American personnel and material both deemed indispensable for the missions charged to the military forces in the Azores, in time of peace as well as in time of war, in harmony with the plans established by the competent organs of the North Atlantic Treaty Organization. This American personnel in the period subsequent to the evacuation of the bases in time of peace will be under Portuguese direction.

## ARTICLE 6

During the period of the preparation of the bases, in conformity with Article 2 subparagraph 2, and during the period of evacuation granted under Article 7, the transit of American military aircraft through the Lagens Airdrome continues to be permitted and there will be authorized on that base, during the same periods, the training of United States aviation and naval personnel, and United States military and civilian personnel stationed there may be increased up to the necessary. There will also be permitted the eventual visit to the airdrome of Santa Maria of some military aircraft which will be provided for by technical arrangements to be concluded between the Ministers of Defense of the two Governments.

These arrangements will fix the number and missions of the personnel employed and will define the legal statute to which they will be subject, as well as the exemptions which the personnel and material will enjoy in time of peace and in time of war.

## ARTICLE 7

For a term beyond the periods in which the facilities should be utilized either in time of war or under conditions provided for in subparagraph 2 of Article 2, there will be granted by the Portuguese Government between six months and a year, in accordance with the circumstances and difficulties of the occasion, for the complete evacuation of the American personnel and their accompanying equipment, which will take place whether or not it has been possible to carry out the provisions of Article 5.

Stockpiling of materials and supplies necessary to the preparation for war, in accordance with the reasonable exigencies of the international situation, and in accordance with technical arrangements to be agreed upon, is authorized during the term referred to in Article 1.

<sup>1</sup> BULLETIN of Sept. 17, 1951, p. 466.

#### ARTICLE 8

The Government of the United States may at any moment renounce the concessions granted under the present Agreement in which case the obligations assumed in this respect by the Portuguese Government will likewise cease.

#### ARTICLE 9

In case of war the facilities granted may be utilized by the rest of the North Atlantic Treaty Organization members. The conditions for the utilization of the facilities by the members of the NATO will be established by agreement between the competent Portuguese and American authorities.

The Portuguese Government reserves the right to extend to the Government of His Britannic Majesty in the United Kingdom facilities analogous to those granted under this Agreement.

#### ARTICLE 10

The Portuguese Government will authorize, after the period of evacuation fixed in Article 7, the transit through Lagens of military aircraft of the United States carrying out missions within the framework of the North Atlantic Treaty Organization. This transit will be carried out by the utilization of the Portuguese services in the referred to Base, whether or not it has been possible to carry out the provisions of Article 5.

For beyond the period in question, and from time to time, as may be agreed between the Ministers of Defense of the two countries in the face of circumstances and in each case, the Lagens base may be utilized for the exercises of combined training of the appropriate forces of NATO. The non-Portuguese personnel necessary to effect this training will remain in the Azores only for the time necessary for each operation.

#### ARTICLE 11

Nothing in the technical arrangements to be agreed upon by the Ministers of Defense of the two Governments may be understood in a contrary sense to the provisions of the present Defense Agreement.

#### ARTICLE 12

This Agreement will enter into effect on the date of its signature and on the same date the Agreement of February 2, 1948, will cease to have validity.

In testimony thereof the respective plenipotentiaries of the two Governments have placed their signatures and affixed their seals to the present Agreement.

Done in Lisbon in two copies, in Portuguese and English, both texts having equal value, this sixth day of September, 1951.

LINCOLN MACVEAGH  
PAULO CUNHA

## Loan to Turkey To Help Finance Seyhan River Dam

The International Bank for Reconstruction and Development on June 18 made a loan of \$25,200,000 to the Republic of Turkey to assist in the development of the Adana Plain, a productive agricultural and industrial area in south-central Turkey. The loan will help to finance a multipurpose dam on the Seyhan River—to be used for flood control, irrigation, and hydroelectric power—and related power facilities.

These installations form the key part of the Seyhan project, a comprehensive plan being

carried out by the Turkish Government for the full control and utilization of the waters of the Seyhan River. The economic development of the Adana Plain has thus far been limited by ruinous seasonal floods, by lack of water for irrigation in other seasons, and by a serious shortage of electric power.

The works which will be financed by the Bank's loan include the construction of an earth dam, a powerhouse, step-up and step-down substations, and transmission lines to the industrial centers of Adana, Mersin, and Tarsus. The power plant will contain two 18,000-kilowatt generators. It is estimated that by 1965 the annual consumption of energy from these will reach 164 million kw.-hrs., which is about four times the total energy, both mechanical and electrical, consumed in the area in 1951. Housing will be provided for a third generator which may be installed later.

The total cost of these works will be the equivalent of about 35.8 million dollars. The Bank's loan will finance the foreign exchange costs, amounting to the equivalent of 25.2 million dollars. The loan will be used for purchases in the United States and Europe of construction materials and equipment, generating and transmission units, and for payment of engineering and contracting fees. Local currency requirements, equivalent to about 10.6 million dollars, will be provided partly by the Turkish Government and partly by private investors. The works are expected to be completed by the summer of 1956.

Other parts of the Seyhan project will be financed out of Turkey's own resources. The entire project includes the building of a system of flood-control levees along the Seyhan, Berdan, and Ceyhan Rivers, and collection channels at the foothills of the Taurus Mountains to catch the run-off of small streams; the construction of a network of canals to provide regular irrigation for approximately 144,000 hectares (356,000 acres) of land; and the further expansion of power facilities. Work on the flood-control levees is virtually completed and will be finished this year. A beginning has been made on the irrigation system; work will be resumed in 1956 after completion of the dam and is expected to be finished in 1961. Some time after 1965, power requirements should justify the expansion of the facilities being financed by the Bank. The entire program will cost the equivalent of about 67 million dollars.

Completion of the Seyhan project will bring substantial benefits to both agriculture and industry. The prevention of flood damage to crops and other property will result in average savings estimated at the equivalent of about 3 million dollars annually. Irrigation is expected to increase the production of crops in the Adana Plain, especially cotton, oilseeds, and citrus fruits, and ultimately will bring farmers additional profits estimated at the equivalent of about 16 million dollars annually.

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings <sup>1</sup>

### Adjourned during June 1952

West Point Sesquicentennial . . . . .	West Point . . . . .	Jan.-June
International Exhibition of Drawings and Engravings . . . . .	Lugano . . . . .	Apr. 10-June 2
UN Economic and Social Council:		
Human Rights Commission: 8th Session . . . . .	New York . . . . .	Apr. 14-June 6
ITU (International Telecommunication Union):		
Administrative Council: 7th Session . . . . .	Geneva . . . . .	Apr. 21-June 6
European Conference on VHF Broadcasting (41 mc/s to 216 mc/s) . . . . .	Stockholm . . . . .	May 28-June 30
Paris International Trade Exhibition . . . . .	Paris . . . . .	May 17-June 2
WMO (World Meteorological Organization):		
Regional Association for Europe: 1st Session . . . . .	Zürich . . . . .	May 26-June 9
UNESCO (United Nations Educational, Scientific and Cultural Organization):		
Executive Board: 30th Session . . . . .	Paris . . . . .	May 26-June 6
ICAO (International Civil Aviation Organization):		
Sixth Annual Assembly . . . . .	Montreal . . . . .	May 27-June 7
International Conference on Large Electric High Tension Systems: 14th Session.	Paris . . . . .	May 28-June 7
WHO (World Health Organization):		
Executive Board: 10th Session . . . . .	Geneva . . . . .	May 29-June 4
International Convention for Protection of Industrial Property . . . . .	Vienna . . . . .	June 2-7
FAO (Food and Agriculture Organization):		
Meeting of Committee on Commodity Problems . . . . .	Rome . . . . .	June 3-7
Council: 15th Session . . . . .	Rome . . . . .	June 9-14
Latin American Forestry Commission: 4th Session . . . . .	Buenos Aires . . . . .	June 16-21
International Whaling Commission: 4th Meeting . . . . .	London . . . . .	June 3-6
ILO (International Labor Organization):		
35th Session of the ILO . . . . .	Geneva . . . . .	June 4-28
International Meeting of Tonnage Measurement Experts . . . . .	The Hague . . . . .	June 4-14
Third Session of the Provisional Intergovernmental Committee for the Movement of Migrants from Europe (PICMME).	Washington . . . . .	June 10-13
Sample Fairs . . . . .	Barcelona . . . . .	June 10-30
21st Session of the International Criminal Police Commission . . . . .	Stockholm . . . . .	June 9-12
Annual Meeting of the Directing Council of the American International Institute for the Protection of Childhood.	Montevideo . . . . .	June 13-14
Committee on Highway Programming and Planning . . . . .	Washington . . . . .	June 23-28

### In Session as of June 30, 1952

International Materials Conference . . . . .	Washington . . . . .	Feb. 26, 1951-
International Conference on German Debts . . . . .	London . . . . .	Feb. 28-
Universal Postal Union: 13th Congress . . . . .	Brussels . . . . .	May 14-
UN (United Nations):		
Economic and Social Council: 14th Session . . . . .	New York . . . . .	May 20-
Trusteeship Council: 11th Session . . . . .	New York . . . . .	June 3-
26th Biennial International Exhibition of Art . . . . .	Venice . . . . .	June 14-
FAO (Food and Agriculture Organization):		
European Forestry and Forest Products Commission: Meeting of Working Group on Torrent Control and Protection from Avalanches.	Nice . . . . .	June 28-
Meeting on Home Economics and Education in Nutrition (FAO-Caribbean Commission).	Port-of-Spain . . . . .	June 30-
International Philatelic Exhibition . . . . .	Utrecht . . . . .	June 28-
ICAO (International Civil Aviation Organization):		
Fourth Special Meeting of Rules of the Air and Air Traffic Services Committee—European-Mediterranean Region.	Paris . . . . .	June 30-
International Commission for the Northwest Atlantic Fisheries: Annual Meeting.	St. Andrews (New Brunswick). . . . .	June 30-
ILO (International Labor Organization):		
Governing Body: 120th Session . . . . .	Geneva . . . . .	June 30-

<sup>1</sup> Prepared in the Division of International Conferences, Department of State, June 24, 1952.

*Calendar of Meetings—Continued*  
**Scheduled July 1–September 30, 1952**

International Wheat Council: 10th Session. . . . .	London. . . . .	July 1–
Fifteenth International Congress on Public Education . . . . .	Geneva. . . . .	July 7–
Inter-American Commission of Women: 8th General Assembly. . . . .	Rio de Janeiro . . . . .	July 8–
ITU (International Telecommunication Union):		
Conference for the Revision of the Bermuda Telecommunications Agreement of 1945. . . . .	London. . . . .	July 9–
International Radio Consultative Committee (CCIR): Study Group X. . . . .	Geneva. . . . .	Aug. 20
UNESCO (United Nations Educational, Scientific and Cultural Organization):		
International Center for Adult Education—Seminar on Workers' Education. . . . .	Paris. . . . .	July 12–
International Conference To Negotiate a Universal Copyright Convention. . . . .	Paris. . . . .	Aug. 18–
Seminar on Museums . . . . .	New York. . . . .	Sept. 15–
International Congress of the Arts . . . . .	Venice . . . . .	Sept. 21
WMO (World Meteorological Organization):		
Commission for Maritime Meteorology, Meeting of . . . . .	London . . . . .	July 14–
Third Session of the Executive Committee. . . . .	Geneva. . . . .	Sept. 9–
International Soil Fertility Meeting. . . . .	Dublin . . . . .	July 21–
Eighteenth Conference of the International Red Cross. . . . .	Toronto. . . . .	July 23–
PAIGH (Pan American Institute of Geography and History):		
Third Consultation on Geog phy. . . . .	Washington. . . . .	July 25–
UN (United Nations):		
Economic and Social Council:		
Economic Commission for Asia and the Far East:		
Working Party on Small Scale Industries and Handicrafts Marketing: 2d Meeting. . . . .	Bangkok . . . . .	July 28–
Inland Transport Committee, Highway Subcommittee: 1st Session. . . . .	Bangkok . . . . .	Aug. 18–
Second Regional Conference of Statisticians . . . . .	Bangkok . . . . .	Sept. 1–
Inland Transport Committee, Inland Waterway Subcommittee: 1st Session. . . . .	Bangkok . . . . .	Sept. 16–
Commission on Prisoners of War: 3d Session. . . . .	Geneva. . . . .	Aug. 25
Committee on Information from Non-Self-Governing Territories . . . . .	New York. . . . .	Sept. 11–
Ad Hoc Committee on Factors (Non-Self-Governing Territories). . . . .	New York . . . . .	Sept. 18–
Administrative Unions Committee . . . . .	New York . . . . .	Sept. 23–
International Sugar Council . . . . .	London . . . . .	July or Aug.
Inter-American Seminar on Vocational Education . . . . .	University of Maryland . . . . .	Aug. 2–
Second International Congress on Analytical Chemistry . . . . .	Oxford . . . . .	Aug. 4–
Thirteenth International Exhibition of Cinematographic Art . . . . .	Venice . . . . .	Aug. 8–
International Geographical Union: 8th General Assembly . . . . .	Washington. . . . .	Aug. 8–
International Astronomical Union: Symposium on Radio Astronomy . . . . .	Sydney . . . . .	Aug. 11–
Fourth World Assembly of the World Organization for Early Childhood Education. . . . .	México, D. F . . . . .	Aug. 11–
International Radio Scientific Union: 10th General Assembly . . . . .	Sydney . . . . .	Aug. 11–
Edinburgh Film Festival, Sixth International . . . . .	Edinburgh . . . . .	Aug. 17–
Grassland Congress, Sixth International . . . . .	State College, Pa. . . . .	Aug. 17–
Fourth International Congress of Onomastic Sciences . . . . .	Uppsala . . . . .	Aug. 18–
International Championships for 1952 Military Pentathlon . . . . .	Brussels . . . . .	Aug. 18–
ICAO (International Civil Aviation Organization):		
Aeronautical Information Services Division: 1st Session . . . . .	Montreal . . . . .	Aug. 19–
Special Diplomatic Conference to Conclude a Convention on Damage Caused by Foreign Aircraft to Third Parties on the Surface. . . . .	Rome . . . . .	Sept. 9–
Statistics Division: 2d Session . . . . .	Montreal . . . . .	Sept. 16–
International Wine Office, 32d Plenary Session of the Committee . . . . .	Freiburg . . . . .	Aug. 19–
Izmir International Trade Fair . . . . .	Izmir . . . . .	Aug. 20–
International Union of Theoretical and Applied Mechanics: 2d General Assembly. . . . .	Istanbul . . . . .	Aug. 25–
Interparliamentary Union, XLI General Assembly . . . . .	Bern . . . . .	Aug. 28–
Fourth International Congress of Anthropological and Ethnological Sciences. . . . .	Vienna . . . . .	Sept. 1–
Bank for Reconstruction and Development, International—and International Monetary Fund: 7th Annual Meeting of the Boards of Governors. . . . .	México, D. F . . . . .	Sept. 3–
Third General Assembly of the International Union for the Protection of Nature. . . . .	Caracas. . . . .	Sept. 3–
International Astronomical Union: 8th General Assembly . . . . .	Rome . . . . .	Sept. 4–
Seventh International Congress and Exposition of Photogrammetry. . . . .	Washington and Dayton . . . . .	Sept. 4–
19th International Geological Congress . . . . .	Algiers . . . . .	Sept. 8–
Thirteenth International Horticultural Congress . . . . .	London. . . . .	Sept. 8–
ILO (International Labor Organization):		
Chemical Industries Committee: 3d Session . . . . .	Geneva. . . . .	Sept. 9–
PASO (Pan American Sanitary Organization):		
17th Meeting of the Executive Committee . . . . .	Habana. . . . .	Sept. 10–

## Calendar of Meetings—Continued

### Scheduled July 1-September 30, 1952—Continued

#### PASO (Pan American Sanitary Organization)—Continued

Sixth Session of the Directing Council—and Fourth Regional Committee of the World Health Organization.	Habana. . . . .	Sept. 19-
18th Meeting of the Executive Committee . . . . .	Habana. . . . .	Sept. 26-
Fourth Meeting of the International Scientific Committee for Trypanosomiasis Research.	Lourenço Marques (Mozambique). . . . .	Sept. 10-
FAO (Food and Agriculture Organization):		
FAO-ECLA Central American Seminar on Agricultural Credit . . . . .	Guatemala City . . . . .	Sept. 15-
Technical Advisory Committee on Desert Locust Control: 2d Meeting	Rome. . . . .	Sept.-
Eucalyptus Study Tour . . . . .	Australia . . . . .	Sept.-
Fourth International Congress of African Tourism . . . . .	Lourenço Marques. . . . .	Sept. 15-
Twenty-first International Congress for Housing and Town Planning .	Lisbon . . . . .	Sept. 21-
International Council for the Exploration of the Sea . . . . .	Copenhagen. . . . .	Sept. 29-
International Council of Scientific Unions: 4th Meeting of the Executive Board.	Amsterdam . . . . .	Sept. 30-

## Current United Nations Documents:

### A Selected Bibliography<sup>1</sup>

#### Disarmament Commission

- France, the United Kingdom of Great Britain and Northern Ireland and the United States of America: Working Paper setting forth proposals for fixing numerical limitation of all armed forces. DC/10, May 28, 1952. 5 pp. mimeo.
- First Report of the Disarmament Commission. DC/11, May 29, 1952. 6 pp. mimeo.

#### Economic and Social Council

- Commission on the Status of Women. Resolutions of May 23, 26 and 28, 1952. E/2237, June 3, 1952. 7 pp. mimeo.
- Economic Development of Under-Developed Countries: Methods of Financing Economic Development. Suggestions from Member Governments on financing of economic development of under-developed countries in response to General Assembly resolution 520 A (VI) and Council resolution 368 (XIII). E/2242, June 2, 1952. 6 pp. mimeo.
- Implementation of Recommendations on Economic and Social Matters. Resolution 283 (X). E/2165/Add.35, April 23, 1952. 5 pp. mimeo.
- Report of the International Bank for Reconstruction and Development. E/2168/Add.1, April 30, 1952. 23 pp. mimeo.

<sup>1</sup> Printed materials may be secured in the United States from the International Document Service, Columbia University Press, 2060 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

The United Nations Secretariat has established an Official Records series for the General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, and the Atomic Energy Commission, which includes summaries of proceedings, resolutions, and reports of the various commissions and committees. Information on securing subscriptions to the series may be obtained from the International Documents Service.

- Development of Arid Land. Report by the Secretary-General on the Activities of the United Nations and the Specialized Agencies. E/2191, April 18, 1952. 52 pp. mimeo.
- International Co-operation on Water Control and Utilization. Report of the Secretary-General under Council resolution 346 (XII). E/2205/Add.1, April 22, 1952. 118 pp. mimeo.
- Elections. Election of Members of the Permanent Central Opium Board. E/2216, May 1, 1952. 11 pp. mimeo.
- Implementation of Recommendations on Economic and Social Matters. Economic and Social Council Resolution 283 (X). Texts of Replies from Governments of Member States. E/2165/Add.37, May 2, 1952. 7 pp. mimeo.
- Implementation of Recommendations on Economic and Social Matters. Report by the Secretary-General. E/2166, May 7, 1952. 117 pp. mimeo.
- Teaching of the Purposes and Principles, the Structure and Activities of the United Nations and the Specialized Agencies in Schools and Educational Institutions of Member States. Report by the Secretary-General and the Director-General of UNESCO. E/2184, May 2, 1952. 84 pp. mimeo.
- Narcotic Drugs. International Limitation of Opium Production. E/2186/Add.2, May 19, 1952. 13 pp. mimeo.
- World Conference on Population. Report by the Secretary-General. E/2199/Add.1, May 15, 1952. 5 pp. mimeo.
- Co-ordination of the Work of the United Nations and the Specialized Agencies. Information on Regional Co-ordination of Programs of the United Nations and the Specialized Agencies and Relations with Non-United Nations Regional Organizations. Report of the Secretary-General. E/2204, April 30, 1952. 44 pp. mimeo.
- International Co-operation on Water Control and Utilization. Report of the Secretary-General under Council resolution 346 (XII). E/2205, April 25, 1952. 70 pp. mimeo.
- United Nations Programme of Technical Assistance. Under General Assembly resolutions 200 (III), 246 (III), 418 (V) and Economic and Social Council resolution 222 A (IX). Report by the Secretary-General. E/2209, April 21, 1952. 106 pp. mimeo.
- Report of the International Refugee Organization. E/2211, April 23, 1952. 38 pp. mimeo.
- Freedom of Information. Enquiry under Council Resolution 414 (XIII), Section B, III, Paragraph 28 on the



- Future Work of the United Nations in the Field of Freedom of Information. Report by the Secretary-General. E/2217, May 5, 1952. 21 pp. mimeo.
- Economic Development of Under-Developed Countries. Integrated Economic Development and Commercial Agreements (General Assembly Resolution 523 (VI)). Replies from Governments of Member States in response to General Assembly Resolution 523 (VI) on action taken concerning production, distribution and prices of commodities and measures to combat inflation. E/2243, June 3, 1952. 63 pp. mimeo.
- Freedom of Information. Report of the Sub-Commission on Freedom of Information and of the Press (Fifth Session). E/2251, June 11, 1952. 5 pp. mimeo.
- The Problem of Statelessness. Consolidated report by the Secretary-General. E/2230, A/CN.4/56, May 26, 1952. 206 pp. mimeo.
- Expanded Programme of Technical Assistance. Fourth Report of the Technical Assistance Board to the Technical Assistance Committee. E/2213 (Vol. I and Vol. II), May 8, 1952. Vol. I, 150 pp., Vol. II, 329 pp. mimeo.
- Migration. Report by the Director-General of the International Labour Office to the Economic and Social Council in accordance with Council resolution 396 (XIII) of 25 August 1951 on methods of international financing of European emigration. E/2235, May 28, 1952. 11 pp. mimeo.
- Report of the World Health Organization. E/2239, June 3, 1952. 86 pp. mimeo.
- Report of the Social Commission (Seventh Session). E/2065, August 4, 1951. 8 pp. mimeo.
- Economic Development of Under-developed Countries. Methods of financing economic development. (General Assembly resolution 520 A (VI)). 31 pp. mimeo.
- Replies of Governments to the Questionnaire on Forced Labour. E/AC.36/11, May 9, 1952. 110 pp. mimeo.
- United Nations International Children's Emergency Fund. Financial Report for the Year Ended 31 December 1951. E/ICEF/193, April 10, 1952. 15 pp. mimeo.
- Arrangement of Business at the Fourteenth Session. E/L.315, May 16, 1952. 8 pp. mimeo.
- Mutual Security Act of 1952. Hearings before the Committee on Armed Services, 82d Cong., 2d sess. on S. 3086. May 8, 9, and 13, 1952. 140 pp.
- General Ridgway. Hearing before the Committee on Armed Services, U.S. Senate, 82d Cong., 2d sess. Discussion with Gen. Matthew B. Ridgway re Far Eastern Situation, Koje-Do POW Uprising, and NATO Policies. May 21, 1952. 34 pp.
- Food and Famine. Procedures for International Action in the Event of Emergency Famines Arising from Natural Causes. E/2220, May 14, 1952. 16 pp. mimeo.
- Report of the Economic Commission for Europe. Work Programme and Priorities 1952-1953. E/2221, May 19, 1952. 36 pp. mimeo.
- Economic Development of Under-developed Countries. Methods to Increase World Productivity (General Assembly Resolution 522 (VI)). E/2224, May 21, 1952. 5 pp. mimeo.
- Proceeds of Sale of UNRRA Supplies. Report by the Secretary-General. E/2227, May 23, 1952. 35 pp. mimeo.
- Prevention of Discrimination and Protection of Minorities. Report by the Secretary-General under Council resolution 414 B 11 (XIII) on the future work of the United Nations in the fields of prevention of discrimination and protection of minorities. E/2229, May 23, 1952. 36 pp. mimeo.
- Freedom of Information. Annotated list of documents prepared for the third, fourth and fifth sessions of the Sub-Commission on Freedom of Information and of the Press. E/2231, May 27, 1952. 5 pp. mimeo.
- Expanded Programme of Technical Assistance. Report of the Technical Assistance Committee on the administration of the Expanded Programme. E/2238, May 29, 1952. 18 pp. mimeo.
- Teaching of the Purposes and Principles, the Structure and Activities of the United Nations and the Specialized Agencies in Schools and Educational Institutions of Member States. Report by the Secretary-General of the United Nations and the Director-General of UNESCO. E/2184/Add. 2, May 23, 1952. 21 pp. mimeo.

## General Assembly

- Report of the United Nations High Commissioner for Refugees to the General Assembly. A/2126, May 29, 1952. 39 pp. mimeo.
- Replies of Governments (Non-Self-Governing Territories) A/AC.58/1/Add.1, May 28, 1952. 10 pp. mimeo.

## Trusteeship Council

- Examination of Annual Reports. Observations of the United Nations Educational, Scientific and Cultural Organization on the reports for 1951 on the Trust Territories of Tanganyika, Togoland under British administration, Togoland under French administration, Camerouns under British administration, and Camerouns under French administration. T/1012, June 17, 1952. 21 pp. mimeo.
- Land Utilization in Somaliland Under Italian Administration. Memorandum submitted by the Italian Government. T/AC.36/L.50, May 12, 1952. 10 pp. mimeo.
- Population, Land Categories and Tenure in Togoland Under French Administration. Working paper prepared by the Secretariat. T/AC.36/L.51, May 14, 1952. 13 pp. mimeo.
- Memorandum Submitted by the United Nations Educational, Scientific and Cultural Organization. Transmitted in reply to the letter of the Secretary-General of April 18, 1952, inviting UNESCO to consider the type and manner of assistance which it might give to the Committee on Rural Economic Development of the Trust Territories in connection with its study. T/AC.36/L.52, May 20, 1952. 6 pp. mimeo.
- Rural Economic Development of the Trust Territories. Draft Second Progress Report of the Committee on the Rural Economic Development of the Trust Territories. T/AC.36/L.53, May 26, 1952. 7 pp. mimeo.
- Land Utilization in New Guinea. Memorandum submitted by the Australian Government. T/AC.36/L.56, June 3, 1952. 5 pp. mimeo.
- Standing Committee on Administrative Unions. Texts of documents referred to in the letter dated March 8, 1952 from the representative of France on the Trusteeship Council to the Secretary-General. T/C.1/L.24, April 29, 1952. 13 pp. mimeo.
- Social Advancement in Trust Territories. (General Assembly Resolution 323 (IV)) Penal Sanctions for Breach of Labour Contracts by Indigenous Inhabitants. T/985, May 5, 1952. 15 pp. mimeo.
- Summaries of the Proceedings of the East Africa Central Legislative Assembly. Working paper prepared by the Secretariat. T/C.1/L.25, May 20, 1952. 8 pp. mimeo.
- Information Relating to Paragraph 7 of Resolution 293 (VII) of the Trusteeship Council Concerning Administrative Unions. Working paper prepared by the Secretariat. T/C.1/L.26, May 23, 1952. 9 pp. mimeo.
- Conditions in the Trust Territory of Somaliland Under Italian Administration. Working paper prepared by the Secretariat. T/L.266, June 6, 1952. 59 pp. mimeo.
- Conditions in the Trust Territory of Ruanda-Urundi. Working paper prepared by the Secretariat. T/L.267, June 11, 1952. 57 pp. mimeo.
- Tenth Report of the Standing Committee on Petitions. T/L.273, June 4, 1952. 64 pp. mimeo.

## Two Covenants on Human Rights Being Drafted

### DRAFTS RELATING TO CIVIL AND POLITICAL RIGHTS AND TO ECONOMIC, SOCIAL AND CULTURAL RIGHTS REVISED AT 1952 SESSION OF U. N. COMMISSION ON HUMAN RIGHTS

by James Simsarian

The U.N. Commission on Human Rights reviewed sections of the two draft Covenants on Human Rights at its 9-week session at New York from April 14 to June 13, 1952. The Commission decided to ask the Economic and Social Council to instruct the Commission to complete its work on the two draft Covenants at its next session in 1953, prior to the consideration of the two drafts by the Council and the General Assembly.

The Commission divided the previous draft of a Covenant on Human Rights into two Covenants at the request of the General Assembly—one Covenant on Civil and Political Rights and the other Covenant on Economic, Social, and Cultural Rights. The Commission rejected a proposal submitted by the Union of Soviet Socialist Republics to combine the two documents into a single Covenant.

The two Covenants are being drafted in the form of treaties, to be opened for ratification or accession by Governments after they are finally drafted by the Commission on Human Rights and approved by the General Assembly. Each Covenant will come into force when it is ratified by 20 countries and will apply only to countries which ratify it. The Covenants are in contrast to the Universal Declaration of Human Rights (approved by the General Assembly on December 10, 1948), which was drafted not in the form of a treaty but as a declaration without legally binding force.

As Mrs. Franklin D. Roosevelt, the U.S. representative on the Commission on Human Rights, pointed out at the close of the 1952 session of the Commission:<sup>1</sup>

The drafting of the Universal Declaration of Human Rights and of the Covenants on Human Rights are part of an international effort designed to acquaint the world

with the ideas of freedom and of the vital necessity for their preservation and extension. Such an effort is indispensable in this day when totalitarian concepts are being spread vigorously not only by Communists but also by the remnants of nazism and fascism. The U.N. campaign for the promotion of human rights must be continued and prosecuted successfully if our free way of life is to be preserved.

Mrs. Roosevelt stressed the point that:

Neither of the Covenants as now drafted contains any provisions which depart from the American way of life in the direction of communism, socialism, syndicalism or statism. When such provisions have been proposed, the United States has opposed them; every proposal by the Soviet Union and its satellites to write "statism" into the Covenant has been defeated. . . . In its approach to the economic and social articles, as well as the civil and political articles, the U.S. delegation has been guided by our Constitution and by existing statutes and policies approved by the legislative and executive branches of the Federal Government.

#### Covenant on Civil and Political Rights

The Commission on Human Rights retained in the Covenant on Civil and Political Rights the basic civil and political rights which have been included in the draft Covenant since it was first considered by the Commission in 1947. They have been reviewed and revised by the Commission and its Drafting Committee in 1947, 1948, 1949, and 1950, as well as at its session in New York this year. These basic civil and political rights are well-known in American tradition and law. They include the right to life, protection against torture, slavery, forced labor, arbitrary arrest or detention, freedom to leave a country, freedom to return to one's country, right to a fair and public hearing by an independent and impartial tribunal, right to be presumed innocent until proved guilty, protection against *ex post facto*

<sup>1</sup> BULLETIN of June 30, 1952, p. 1024.

laws, freedom of religion, expression, assembly and association, and equality before the law.<sup>2</sup>

### **Union of Soviet Socialist Republics**

As at previous sessions of the Commission, the Union of Soviet Socialist Republics sought to weaken the provisions of the Covenant but these efforts were rejected by the Commission. For example, in the consideration of the article on freedom of expression,<sup>3</sup> the U.S.S.R. proposed that this freedom be limited "in the interests of democracy." The U.S.S.R. has repeatedly sought to distort the term "democracy" by claiming that it is descriptive of the Communist State. In line with its usual practice, the U.S.S.R. was obviously seeking by its amendment to insert language so that it could later claim that this freedom did not go beyond the limited scope of the Soviet Constitution which allows the right of expression only to those supporting the Communist State. This effort of the U.S.S.R. to negate the provision on freedom of expression in the Covenant was rejected, with only three members voting for it, the U.S.S.R. and its two satellites, the Ukraine and Poland. The U.S.S.R. submitted a similar amendment in an effort to limit the provisions of the Covenant on freedom of assembly and association, but this amendment was also rejected, with the same three being the only members of the Commission voting for the amendment.

In the case of the article of the Covenant<sup>4</sup> calling for a fair and public hearing by an independent and impartial tribunal, the U.S.S.R. proposed the elimination of the term "impartial" by an amendment it submitted to the Commission. The Commission, however, rejected this amendment.

### **Complaint and Reporting Procedures**

The Commission had only sufficient time at its 1952 session to review the substantive articles relating to civil and political rights and economic, social, and cultural rights. The Commission accordingly did not review the complaint machinery drafted at previous sessions with respect to the consideration of alleged violations of the articles on civil and political rights.<sup>5</sup> The draft Covenant has thus far provided only for the filing of complaints by countries ratifying the Covenant. Such complaints may be filed only against countries which have ratified the Covenant. The Commission has rejected proposals submitted by some members of the Commission to authorize individuals, groups, or non-governmental organi-

zations to file complaints. These issues will no doubt be considered again by the Commission at its session next year. The Commission will also no doubt consider at that time the reporting procedure proposed for the Covenant on Economic, Social, and Cultural Rights.<sup>6</sup>

### **Covenant on Economic, Social, and Cultural Rights**

The draft Covenant on Economic, Social, and Cultural Rights sets forth provisions relating to employment, conditions of work, trade-unions, social security, motherhood, maternity, children, young persons, the family, food, clothing, housing, standard of living, health, education, science, and culture.<sup>7</sup>

### **Differences Between Two Covenants**

In drafting the Covenant on Economic, Social, and Cultural Rights, the Commission recognized that the provisions of this Covenant differed in a number of respects from the Covenant on Civil and Political Rights. These differences were set forth in the Covenant on Economic, Social, and Cultural Rights in a number of ways:

(1) The economic, social, and cultural rights were recognized as objectives to be achieved "progressively."<sup>8</sup> In the case of the civil and political rights, countries ratifying the Covenant will be under an obligation to take necessary steps to give effect to these rights.<sup>9</sup> A much longer period of time is clearly contemplated under the Covenant on Economic, Social, and Cultural Rights for the achievement of the objectives of this Covenant. The term "rights" is used in both the civil and political articles and the economic, social, and cultural articles. This term is used, however, in two different senses. The civil and political rights are looked upon as "rights" to be given effect immediately. The economic, social, and cultural rights, although recognized as "rights," are looked upon as goals toward which countries ratifying the Covenant would undertake to strive and to achieve these objectives to the extent permitted by available resources.

(2) It was recognized that economic, social, and cultural rights were to be achieved by many means and methods, private as well as public, and not solely through legislation. Article 2 of the Covenant on Economic, Social, and Cultural Rights expressly states that the rights recognized in that Covenant are to be achieved "by other means" as well as by legislation. The members of the Commission acknowledged that the reference to "other means" was a recognition by them that the rights

<sup>2</sup> Articles 5 to 19 of Covenant on Civil and Political Rights.

<sup>3</sup> Article 16 of Covenant on Civil and Political Rights.

<sup>4</sup> Article 12, par. 1, of Covenant on Civil and Political Rights.

<sup>5</sup> Articles 20 to 46 of Covenant on Civil and Political Rights.

<sup>6</sup> Articles 17 to 26 of Covenant on Economic, Social and Cultural Rights.

<sup>7</sup> Articles 6 to 16 of Covenant on Economic, Social and Cultural Rights.

<sup>8</sup> Article 2, par. 1, of Covenant on Economic, Social, and Cultural Rights.

<sup>9</sup> Article 2, par. 2, of Covenant on Civil and Political Rights.

set forth in this Covenant could be achieved through private as well as governmental action. The obligation of a country ratifying this Covenant will be to take steps to promote conditions for economic, social, and cultural progress and development.

The U.S.S.R. repeatedly urged this year, in the same manner that it urged last year in the Commission, that economic, social, and cultural rights be stated in terms of state legislation only, but other members of the Commission rejected this approach.

(3) The economic, social, and cultural rights were necessarily drafted in general terms as contrasted to the articles on civil and political rights. It was felt by the Commission that since the economic, social, and cultural rights were stated in terms of broad objectives, general language would be adequate.

### **Covenants Are Non-Self-Executing**

There is appropriate language in both Covenants to assure that they are non-self-executing.

Article 2 of the draft Covenant on Civil and Political Rights provides that where the rights recognized in the Covenant have not already been "provided for by existing legislative or other measures, each [Contracting] State undertakes to take the necessary steps, in accordance with its constitutional processes and with the provisions of this Covenant, to adopt such legislative or other measures as may be necessary to give effect to the rights recognized in this Covenant".

This article makes it clear that the provisions of the Covenant would not, themselves, be enforceable in the courts as "the supreme Law of the Land" under article VI of the U.S. Constitution. The United States, however, when it becomes a party to the Covenant, would, together with other contracting countries, have a firm obligation to enact the necessary legislative or other measures to give effect to the rights set forth in the Covenant to the extent such measures have not already been enacted. Such legislative or other measures which are enacted would, of course, be enforceable in the courts of the United States.

Article 2 of the draft Covenant on Economic, Social, and Cultural Rights similarly ensures the non-self-executing character of its provisions. Under this Covenant, each contracting country undertakes to take steps "with a view to achieving progressively the full realization of the rights recognized in this Covenant by legislative as well as by other means." There is a recognition by this phraseology of the need for affirmative action for the achievement of the rights set forth in this Covenant. The provisions of this Covenant would not, themselves, be enforceable in the courts as "the supreme Law of the Land" under article VI of the United States Constitution.

### **Covenants Not to Lower Existing Standards**

Provision is included in each of the Covenants to make it expressly clear that "there shall be no restriction upon or derogation from any of the fundamental human rights recognized or existing in any Contracting State pursuant to the law [of that State] . . . on the pretext that the present Covenant does not recognize such rights or that it recognizes them to a lesser extent".<sup>10</sup> The Commission included this provision in the Covenants to stress the point that under no circumstances should either Covenant be utilized as a pretext for any decrease in the higher standards existing in some countries (such as the United States) with respect to fundamental human rights accorded to persons in these countries because of more advanced Constitutional safeguards or for any other reason.

At the same time, the Commission changed the word "shall" to "may" in the provisions on exceptions in the articles on freedom of religion, expression, assembly, and association<sup>11</sup> to make it entirely clear that the exceptions to these rights are permissive only and not in any sense mandatory. In no instance is any country called upon to apply these permissive restrictions.

With the inclusion of these provisions and changes, the members of the Commission sought to avoid the possibility of the Covenant lowering any existing higher standards of freedom in any country. They stressed the fact that the objective of the two Covenants is to raise standards in countries not so advanced as other countries with respect to human rights and freedoms.

### **Federal-State Article**

The Commission did not have sufficient time to consider the inclusion of a Federal-State article in the two Covenants. The U.S. delegation, together with the delegations of Australia and India, however, submitted a new draft of a Federal-State article to the Commission; it will doubtless be considered at its 1953 session. The U.S. delegation has insisted on the inclusion of such an article in the Covenants since the earliest U.N. consideration of the Covenant in 1947. The Federal-State article would ensure that the constitutional balance between the powers delegated by the Federal Constitution to our Federal Government, on the one hand, and the powers reserved to the States, on the other, would not be altered by the proposed Covenants on Human Rights.

Under the proposed Federal-State article, the United States, upon its ratification of a Covenant, would undertake the same obligations as other

<sup>10</sup> Article 4, par. 2, of Covenant on Civil and Political Rights; see also article 5, par. 2, of Covenant on Economic, Social, and Cultural Rights.

<sup>11</sup> Articles 15, 16, 17, and 18 of Covenant on Civil and Political Rights.

## DRAFT COVENANT ON CIVIL AND POLITICAL RIGHTS

*(Preamble and first 19 articles were revised by the Commission on Human Rights at its April-June 1952 Session)*

### *Preamble*

The States Parties hereto,

CONSIDERING, that, in accordance with the principles proclaimed in the Charter of the United Nations, recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

RECOGNIZING that these rights are derived from the inherent dignity of the human person,

RECOGNIZING that, in accordance with the Universal Declaration of Human Rights, the ideal of free men enjoying civil and political freedom and freedom from fear and want can only be achieved if conditions are created whereby everyone may enjoy his civil and political rights, as well as his economic, social and cultural rights,

CONSIDERING the obligation of States under the Charter of the United Nations to promote universal respect for, and observance of, human rights and freedoms,

REALIZING that the individual, having duties to other individuals and to the community to which he belongs, is under responsibility to strive for the promotion and observance of the rights recognized in this Covenant,

Agree upon the following articles:

### PART I

#### *Article 1 [Self-Determination]*

*[The Commission on Human Rights drafted this article at its 1952 Session. The Commission did not have sufficient time to consider whether the provisions of Parts II and IV should apply to this Article 1]*

1. All peoples and all nations shall have the right of self-determination, namely, the right freely to determine their political, economic, social and cultural status.

2. All States, including those having responsibility for the administration of non-self-governing and trust territories and those controlling in whatsoever manner the exercise of that right by another people, shall promote the realization of that right in all their territories, and shall respect the maintenance of that right in other States, in conformity with the provisions of the United Nations Charter.

3. The right of the peoples to self-determination shall also include permanent sovereignty over their natural wealth and resources. In no case may a people be deprived of its own means of subsistence on the grounds of any rights that may be claimed by other States.

### PART II [GENERAL PROVISIONS]

#### *Article 2*

1. Each State Party hereto undertakes to respect and to ensure to all individuals within its territory and subject to its jurisdiction the rights recognized in this Covenant, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

2. Where not already provided for by existing legislative or other measures, each State undertakes to take the necessary steps, in accordance with its constitutional processes and with the provisions of this Covenant, to adopt such legislative or other measures as may be necessary to give effect to the rights recognized in this Covenant.

3. Each State Party hereto undertakes:

(a) To insure that any person whose rights or freedoms as herein recognized are violated shall have an effective remedy, notwithstanding that the violation has been committed by persons acting in an official capacity;

ratifying countries with respect to rights set forth in that Covenant which fall within the constitutional jurisdiction of the Federal Government. With respect to provisions which are wholly or in part within the jurisdiction of the several states, the only obligation of the United States would be to bring these provisions to the notice of the appropriate authorities of the individual states with a favorable recommendation and a request for information as to the law of the states in relation to these provisions of the Covenant. The United States would transmit this information to the United Nations.

The Federal-State article as now proposed expressly provides that the Covenant "shall not operate so as to bring within the jurisdiction of the Federal authority of a Federal State . . . any of the matters referred to in this Covenant which independently of the Covenant, would not be within the jurisdiction of the Federal authority." The Federal-State division of powers in the United States would be preserved by this provision; the national power would not be increased. The proposal for a Federal-State article makes it clear that the obligations undertaken by the United States under the Covenant would be limited to matters which under the Constitution of the United States are within the Federal jurisdiction independent of the coming into force of the Covenant itself.

### **Self-Determination**

The Commission approved three paragraphs of an article on self-determination for inclusion in both Covenants. The first two paragraphs were along the lines of language adopted at the sixth session of the General Assembly on February 5, 1952. The third paragraph was added by the Commission. The United States Delegation voted for the first two paragraphs but opposed the third paragraph. In voting for the first two paragraphs, the United States delegation explained that it, however, reserved its position to propose changes in these paragraphs in the future.

The first paragraph recognizes that "All peoples and all nations shall have the right of self-determination, namely, the right freely to determine their political, economic, social and cultural status." The second paragraph calls on all countries to promote the realization of the right of self-determination in all their territories and to respect the maintenance of that right in other countries in conformity with the provisions of the United Nations Charter. The third paragraph, which the U.S. delegation opposed, provides that "the right of the peoples to self-determination shall also include permanent sovereignty over their natural wealth and resources. In no case may a people be deprived of its own means of subsistence on the grounds of any rights that may be claimed by other States."

(b) To develop the possibilities of judicial remedy and to ensure that any person claiming such a remedy shall have his right thereto determined by competent authorities, political, administrative or judicial;

(c) To ensure that the competent authorities shall enforce such remedies when granted.

#### Article 3

1. In time of public emergency which threatens the life of the nation and the existence of which is officially proclaimed, the States Parties hereto may take measures derogating from their obligations under this Covenant to the extent strictly required by the exigencies of the situation, provided that such measures are not inconsistent with their other obligations under international law and do not involve discrimination solely on the ground of race, colour, sex, language, religion or social origin.

2. No derogation from Articles 3, 4, 5 (paragraphs 1 and 2), 7, 11, 12 and 13 may be made under this provision.

3. Any State Party hereto availing itself of the right of derogation shall inform immediately the other States Parties to the Covenant, through the intermediary of the Secretary General, of the provisions from which it has derogated, the reasons by which it was actuated and the date on which it has terminated such derogation.

#### Article 4

1. Nothing in this Covenant may be interpreted as implying for any State, group or person any right to engage in any activity or perform any act aimed at the destruction of any of the rights and freedoms recognized herein or at their limitation to a greater extent than is provided for in this Covenant.

2. There shall be no restriction upon or derogation from any of the fundamental human rights recognized or existing in any Contracting State pursuant to law, conventions, regulations or custom on the pretext that the present Covenant does not recognize such rights or that it recognizes them to a lesser extent.

### PART III [CIVIL AND POLITICAL RIGHTS]

#### Article 5

1. No one shall be arbitrarily deprived of his life. Everyone's right to life shall be protected by law.

2. In countries where capital punishment exists, sentence of death may be imposed only as a penalty for the most serious crimes pursuant to the sentence of a competent court and in accordance with law not contrary to the principles of the Universal Declaration of Human Rights or the Convention on the Prevention and Punishment of the Crime of Genocide.

3. Anyone sentenced to death shall have the right to seek pardon or commutation of the sentence. Amnesty, pardon or commutation of the sentence of death may be granted in all cases.

4. Sentence of death shall not be carried out on a pregnant woman.

#### Article 6

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment. In particular, no one shall be subjected without his free consent to medical or scientific experimentation involving risk, where such is not required by his state of physical or mental health.

#### Article 7

1. No one shall be held in slavery; slavery and the slave trade in all their forms shall be prohibited.

2. No one shall be held in servitude.

3. (a) No one shall be required to perform forced or compulsory labour.

(b) The preceding sub-paragraph shall not be held to preclude, in countries where imprisonment with hard labour may be imposed as a punishment for a crime, the performance of hard labour in pursuance of a sentence to such punishment by a competent court.

(c) For the purpose of this paragraph the term "forced or compulsory labour" shall not include:

(i) Any work or service, not referred to in sub-paragraph (b), normally required of a person who is under detention in consequence of a lawful order of a court;

(ii) Any service of a military character and, in countries where conscientious objection is recognized, any national service required by law of conscientious objectors;

(iii) Any service exacted in cases of emergency or calamity threatening the life or well-being of the community;

(iv) Any work or service which forms part of normal civic obligations.

#### Article 8

1. Everyone has the right to liberty and security of person. No one shall be subjected to arbitrary arrest or detention. No one shall be deprived of his liberty except on such grounds and in accordance with such procedure as are established by law.

2. Anyone who is arrested shall be informed, at the time of arrest, of the reasons for his arrest and shall be promptly informed of any charges against him.

3. Anyone arrested or detained on a criminal charge shall be brought promptly before a judge or other officer authorized by law to exercise judicial power and shall be entitled to trial within a reasonable time or to release. It shall not be the general rule that persons awaiting trial shall be detained in custody, but release may be subject to guarantees to appear for trial, at any other stage of the judicial proceedings, and, should occasion arise, for execution of the judgment.

4. Anyone who is deprived of his liberty by arrest or detention shall be entitled to take proceedings before a court, in order that such court may decide without delay on the lawfulness of his detention and order his release if the detention is not lawful.

5. Anyone who has been the victim of unlawful arrest or deprivation of liberty shall have an enforceable right to compensation.

#### Article 9

No one shall be imprisoned merely on the ground of inability to fulfil a contractual obligation.

#### Article 10

1. Subject to any general law of the State concerned which provides for such reasonable restrictions as may be necessary to protect national security, public safety, health or morals or the rights and freedoms of others, consistent with the other rights recognized in this Covenant:

(a) Everyone legally within the territory of a State shall, within that territory, have the right to (i) liberty of movement and (ii) freedom to choose his residence;

(b) Everyone shall be free to leave any country including his own.

2. (a) No one shall be subjected to arbitrary exile;

(b) Subject to the preceding sub-paragraph, anyone shall be free to enter his own country.

#### Article 11

An alien lawfully in the territory of a State party hereto may be expelled therefrom only in pursuance of a decision reached in accordance with law and shall, except where compelling reasons of national security otherwise require, be allowed to submit the reasons against his expulsion and to have his case reviewed by and be represented for the purpose before the competent authority or a person or persons specially designated by the competent authority.

#### Article 12

1. All persons shall be equal before the courts or tribunals. In the determination of any criminal charge against him, or of his rights and obligations in a suit at law, everyone shall be entitled to a fair and public hearing by a competent, independent and impartial tribunal established by law. The Press and public may be excluded

from all or part of a trial for reasons of morals, public order or national security in a democratic society, or when the interest of the private lives of the parties so requires, or to the extent strictly necessary in the opinion of the Court in special circumstances where publicity would prejudice the interest of justice; but any judgment rendered in a criminal case or in a suit at law shall be pronounced publicly except where the interest of juveniles otherwise requires or the proceedings concern matrimonial disputes or the guardianship of children.

2. Everyone charged with a criminal offence shall have the right to be presumed innocent until proved guilty according to law. In the determination of any criminal charge against him, everyone shall be entitled to the following minimum guarantees, in full equality:

(a) To be informed promptly in a language which he understands and in detail of the nature and cause of the accusation against him;

(b) To have adequate time and facilities for the preparation of his defence;

(c) To defend himself in person or through legal assistance of his own choosing; to be informed, if he does not have legal assistance, of this right; and to have legal assistance assigned to him, in any case where the interests of justice so require, and without payment by him in any such case where he does not have sufficient means to pay for it;

(d) To examine, or have examined the witnesses against him and to obtain the attendance and examination of witnesses on his behalf under the same conditions as witnesses against him;

(e) To have the free assistance of an interpreter if he cannot understand or speak the language used in court;

(f) Not to be compelled to testify against himself, or to confess guilt.

3. In the case of juveniles, the procedure shall be such as will take account of their age and the desirability of promoting their rehabilitation.

4. In any case where by a final decision a person has been convicted of a criminal offence and where subsequently his conviction has been reversed or he has been pardoned on the ground that a new or newly discovered fact shows conclusively that there has been a miscarriage of justice, the person who has suffered punishment as a result of such conviction shall be compensated unless it is proved that the non-disclosure of the unknown fact in time is wholly or partly attributable to him.

#### Article 13

1. No one shall be held guilty of any criminal offence on account of any act or omission which did not constitute a criminal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time when the criminal offence was committed. If, subsequent to the commission of the offence, provision is made by law for the imposition of a lighter penalty, the offender shall benefit thereby.

2. Nothing in this article shall prejudice the trial and punishment of any person for any act or omission, which, at the time when it was committed, was criminal according to the general principles of law recognized by the community of nations.

#### Article 14

Everyone shall have the right to recognition everywhere as a person before the law.

#### Article 15

1. Everyone shall have the right to freedom of thought, conscience and religion. This right shall include freedom to maintain or to change his religion or belief, and freedom, either individually or in community with others and in public or private, to manifest his religion or belief in worship, observance, practice and teaching.

2. No one shall be subject to coercion which would impair his freedom to maintain or to change his religion or belief.

3. Freedom to manifest one's religion or beliefs may

be subject only to such limitations as are prescribed by law and are necessary to protect public safety, order, health, or morals or the fundamental rights and freedoms of others.

#### Article 16

1. Everyone shall have the right to hold opinions without interference.

2. Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media of his choice.

3. The exercise of the rights provided for in the foregoing paragraph carries with it special duties and responsibilities. It may therefore be subject to certain restrictions, but these shall be such only as are provided by law and are necessary, (1) for respect of the rights or reputations of others, (2) for the protection of national security or of public order, or of public health or morals.

#### Article 17

The right of peaceful assembly shall be recognized. No restrictions may be placed on the exercise of this right other than those imposed in conformity with the law and which are necessary in a democratic society in the interests of national security or public safety, public order, the protection of public health or morals or the protection of the rights and freedoms of others.

#### Article 18

1. Everyone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of his interests.

2. No restrictions may be placed on the exercise of this right other than those prescribed by law and which are necessary in a democratic society in the interests of national security or public safety, public order, the protection of public health or morals or the protection of the rights and freedoms of others. This article shall not prevent the imposition of lawful restrictions on the exercise of this right by members of the armed forces or of the police.

3. Nothing in this article shall authorize States Parties to the Freedom of Association and Protection of the Right to Organize Convention, 1948, to take legislative measures which would prejudice, or to apply the law in such a manner as to prejudice, the guarantees provided for in that convention.

#### Article 19

All persons are equal before the law. The law shall prohibit any discrimination and guarantee to all persons equal and effective protection against discrimination on any ground such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

#### PART IV (COMPLAINT PROCEDURE)

*[Part IV was revised by the Commission on Human Rights at its 1951 session and was not considered at its 1952 session because of the lack of sufficient time to do so. The renumbering of the articles of Parts IV and V is not official, but has been done for the convenience of the reader. The Commission has not as yet decided whether the implementation procedure set forth in this Part IV should also be included in the Covenant on Economic, Social and Cultural Rights. The discussion in the 1951 session of the Commission indicated, however, wide sentiment in the Commission against the applicability of this procedure to the economic, social and cultural rights. This procedure was initially drafted by the Commission with respect to the civil and political rights in this Covenant. For these reasons this procedure is included only in this Covenant.]*

*Article 20*  
[formerly Article 33]

[*Note: The Commission decided at its 1951 session to postpone the vote on the whole of this article. The following is the provisional text of the article.*]

1. With a view to the implementation of the provisions of the International Covenant on Human Rights, there shall be set up a Human Rights Committee, hereinafter referred to as "the Committee", composed of nine members with the functions hereinafter provided.

2. The Committee shall be composed of nationals of the States Parties to the Covenant who shall be persons of high moral standing and recognized competence in the field of human rights, consideration being given to the usefulness of the participation of some persons having a judicial or legal experience.

3. The members of the Committee shall be elected and shall serve in their personal capacities.

*Article 21*  
[formerly Article 34]

1. The members of the Committee shall be elected from a list of persons possessing the qualifications prescribed in Article 33 [*now 20*] and specially nominated for that purpose by the States Parties to the Covenant.

2. Each State shall nominate at least two and not more than four persons. These persons may be nationals of the nominating State or of any other State Party to the Covenant.

3. Nominations shall remain valid until new nominations are made for the purpose of the next election under Article 39 [*now 26*]. A person shall be eligible to be renominated.

*Article 22*  
[formerly Article 35]

At least three months before the date of each election to the Committee, the Secretary General of the United Nations shall address a written request to the States Parties to the Covenant inviting them, if they have not already submitted their nominations, to submit them within two months.

*Article 23*  
[formerly Article 36]

The Secretary General of the United Nations shall prepare a list in alphabetical order of all the persons thus nominated, and submit it to the International Court of Justice and to the States Parties to the Covenant.

*Article 24*  
[formerly Article 37]

1. The Secretary-General of the United Nations, on behalf of the States Parties to the Covenant, shall request the International Court of Justice to elect the members of the Committee from the list referred to in Article 36 [*now 23*] and in accordance with the conditions set out below.

2. On receipt of the list from the Secretary-General of the United Nations, the President of the International Court of Justice shall fix the time of elections for members of the Committee.

*Article 25*  
[formerly Article 38]

1. No more than one national of any State may be a member of the Committee at any time.

2. In the election of the Committee consideration shall be given to equitable geographical distribution of membership and to the representation of the main forms of civilization. The persons elected shall be those who ob-

tain the largest number of votes and an absolute majority of the votes of all the members of the Court.

3. The quorum of nine laid down in Article 25, paragraph 3, of the Statute of the Court shall apply for the holding of the elections by the Court.

*Article 26*  
[formerly Article 39]

The members of the Committee shall be elected for a term of five years and be eligible for re-election. However, the terms of five of the members elected at the first election shall expire at the end of two years. Immediately after the first election the names of the members whose terms expire at the end of the initial period of two years shall be chosen by lot by the President of the International Court of Justice.

*Article 27*  
[formerly Article 40]

1. Should a vacancy arise, the provisions of Articles 35, 36, 37 and 38 [*now 22, 23, 24 and 25*] shall apply to the election.

2. A member of the Committee elected to fill a vacancy shall, if his predecessor's term of office has not expired, hold office for the remainder of that term.

*Article 28*  
[formerly Article 41]

A member of the Committee shall remain in office until his successor has been elected; but if the Committee has, prior to the election of his successor, begun to consider a case, he shall continue to act in that case, and his successor shall not act in that case.

*Article 29*  
[formerly Article 42]

The resignation of a member of the Committee shall be addressed to the Chairman of the Committee through the Secretary of the Committee who shall immediately notify the Secretary-General of the United Nations and the International Court of Justice.

*Article 30*  
[formerly Article 43]

The members of the Committee and the Secretary, when engaged on the business of the Committee, shall enjoy diplomatic privileges and immunities.

*Article 31*  
[formerly Article 44]

1. The Secretary of the Committee shall be appointed by the International Court of Justice from a list of three names submitted by the Committee.

2. The candidate obtaining the largest number of votes and an absolute majority of the votes of all the members of the Court shall be declared elected.

3. The quorum of nine laid down in Article 25, paragraph 3 of the Statute of the Court shall apply for the holding of the election by the Court.

*Article 32*  
[formerly Article 45]

The Secretary-General of the United Nations shall convene the initial meeting of the Committee at the Headquarters of the United Nations.

*Article 33*  
[formerly Article 46]

The Committee shall, at its initial meeting, elect its Chairman and Vice-Chairman for the period of one year.



*Article 34*  
[formerly Article 47]

The Committee shall establish its own rules of procedure, but these rules shall provide that:

- (a) Seven members shall constitute a quorum;
- (b) The work of the Committee shall proceed by a majority vote of the members present; in the event of an equality of votes the Chairman shall have a casting vote;
- (c) All States Parties to the Covenant having an interest in any matter referred to the Committee under Article 52 [now 39] shall have the right to make submissions to the Committee in writing.

The States referred to in Article 52 [now 39] shall further have the right to be represented at the hearings of the Committee and to make submissions orally.

(d) The Committee shall hold hearings and other meetings in closed session.

*Article 35*  
[formerly Article 48]

1. After its initial meeting the Committee shall meet:

- (a) At such times as it deems necessary;
- (b) When any matter is referred to it under Article 52 [now 39];
- (c) When convened by its Chairman or at the request of not less than five of its members.

2. The Committee shall meet at the permanent Headquarters of the United Nations or at Geneva.

*Article 36*  
[formerly Article 49]

The Secretary of the Committee shall attend its meetings, make all necessary arrangements, in accordance with the Committee's instructions, for the preparation and conduct of the work, and carry out any other duties assigned to him by the Committee.

*Article 37*  
[formerly Article 50]

The members and the Secretary of the Committee shall receive emoluments commensurate with the importance and responsibilities of their office.

*Article 38*  
[formerly Article 51]

The Secretary-General of the United Nations shall provide the necessary staff and facilities for the Committee and its members.

*Article 39*  
[formerly Article 52]

1. If a State Party to the Covenant considers that another State Party is not giving effect to a provision of the Covenant, it may, by written communication, bring the matter to the attention of that State. Within three months after the receipt of the communication, the receiving State shall afford the communicating State an explanation or statement in writing concerning the matter, which should include, to the extent possible and pertinent, references to domestic procedures and remedies taken, or pending, or available in the matter.

2. If the matter is not adjusted to the satisfaction of both Parties within six months after the receipt by the receiving State of the initial communication, either State shall have the right to refer the matter to the Committee, by notice given to the Secretary of the Committee and to the other State.

3. Subject to the provisions of Article 54 [now 41] below, in serious cases where human life is endangered the Committee may, at the request of a State Party to the Covenant referred to in paragraph 1 of this Article, deal forthwith with the case on receipt of the initial communication and after notifying the State concerned.

*Article 40*  
[formerly Article 53]

The Committee shall deal with any matter referred to it under Article 52 [now 39] save that it shall have no power to deal with any matter:

(a) For which any organ or specialized agency of the United Nations competent to do so has established a special procedure by which the States concerned are governed; or

(b) With which the International Court of Justice is seized other than by virtue of Article . . . of the present Covenant.

*Article 41*  
[formerly Article 54]

Normally, the Committee shall deal with a matter referred to it only if available domestic remedies have been invoked and exhausted in the case. This shall not be the rule where the application of the remedies is unreasonably prolonged.

*Article 42*  
[formerly Article 55]

In any matter referred to it the Committee may call upon the States concerned to supply any relevant information.

*Article 43*  
[formerly Article 56]

The Committee may recommend to the Economic and Social Council that the Council request the International Court of Justice to give an advisory opinion on any legal question connected with a matter of which the Committee is seized.

*Article 44*  
[formerly Article 57]

1. Subject to the provisions of Article 54 [now 41], the Committee shall ascertain the facts and make available its good offices to the States concerned with a view to a friendly solution of the matter on the basis of respect for human rights as recognized in this Covenant.

2. The Committee shall, in every case and in no event later than eighteen months after the date of receipt of the notice under Article 52 [now 39], draw up a report which will be sent to the States concerned and then communicated to the Secretary-General of the United Nations for publication. The Committee shall complete its report as promptly, particularly when requested by one of the States Parties where human life is endangered.

3. If a solution within the terms of paragraph 1 of this article is reached the Committee shall confine its report to a brief statement of the facts and of the solution reached. If such a solution is not reached, the Committee shall state in its report its conclusions on the facts and attach thereto the statements made by the parties to the case.

*Article 45*  
[formerly Article 58]

The Committee shall submit to the General Assembly, through the Secretary-General, an annual report of its activities.

*Article 46*  
[formerly Article 59]

The States Parties to this Covenant agree not to submit, by way of petition, to the International Court of Justice, except by special agreement, any dispute arising out of the interpretation or application of the Covenant in a matter within the competence of the Committee.

## Article 47

## [Territories Application Article]

*[This article was adopted by the General Assembly at its 1950 Session and revised only slightly by the Commission on Human Rights at its 1951 Session]*

The provisions of the present Covenant shall extend to or be applicable equally to a signatory metropolitan State and to all the territories, be they Non-Self-Governing, Trust, or Colonial Territories, which are being administered or governed by such metropolitan State.

## Article 48

## [Federal State Article]

*[The consideration of this article was postponed until the 1953 Session of the Commission on Human Rights. The United States, together with Australia and India, submitted the following proposal for this article:]*

1. A federal State may at the time of signature or ratification of, or accession to, this Covenant make a Declaration stating that it is a federal State to which this Article is applicable. In the event that such a Declaration is made, paragraphs 2 and 3 of this Article shall apply to it. The Secretary General of the United Nations shall inform the other States Parties to this Covenant of such Declaration.

2. This Covenant shall not operate so as to bring within the jurisdiction of the federal authority of a federal State making such Declaration, any of the matters referred to in this Covenant which independently of the Covenant, would not be within the jurisdiction of the federal authority.

3. Subject to paragraph 2 of this Article, the obligations of such federal State shall be:

(a) In respect of any provisions of the Covenant, the implementation of which is, under the constitution of the federation, wholly or in part within federal jurisdiction, the obligations of the federal government shall, to that extent, be the same as those of Parties which have not made a declaration under this Article.

(b) In respect of any provisions of the Covenant, the implementation of which is, under the constitution of the federation, wholly or in part within the jurisdiction of the constituent units (whether described as states, provinces, cantons, autonomous regions, or by any other name), and which are not, to this extent, under the constitutional system bound to take legislative action, the federal government shall bring such provisions with favorable recommendations to the notice of the appropriate authorities of the constituent units, and shall also request such authorities to inform the federal government as to the law of the constituent units in relation to those provisions of the Covenant. The federal government shall transmit such information received from constituent units to the Secretary General of the United Nations.]

*[Former articles 70 and 73 were revised by the Commission on Human Rights at its 1950 Session and were not considered at its 1951 or 1952 session because of the lack of sufficient time to do so.]*

## Article 49

## [formerly Article 70]

## [Ratification and accession]

1. This Covenant shall be open for signature and ratification or accession on behalf of any State Member of the United Nations or of any non-member State to which an invitation has been extended by the General Assembly.

2. Ratification of or accession to this Covenant shall be effected by the deposit of an instrument of ratification or accession with the Secretary-General of the United Nations, and as soon as twenty States have deposited such instruments, the Covenant shall come into force among them. As regards any State which ratified or accedes

thereafter the Covenant shall come into force on the date of the deposit of its instrument of ratification or accession.

3. The Secretary-General of the United Nations shall inform all Members of the United Nations, and other States which have signed or acceded, of the deposit of each instrument of ratification or accession.

## Article 50

## [formerly Article 73]

## [Amendments]

1. Any State Party to the Covenant may propose an amendment and file it with the Secretary-General. The Secretary-General shall thereupon communicate the proposed amendment to the States Parties to the Covenant with a request that they notify him whether they favour a conference of States Parties for the purpose of considering and voting upon the proposal. In the event that at least one third of the States favour such a conference the Secretary-General shall convene the conference under the auspices of the United Nations. Any amendment adopted by a majority of States present and voting at the conference shall be submitted to the General Assembly for approval.

2. Such amendments shall come into force when they have been approved by the General Assembly and accepted by a two-thirds majority of the States Parties to the Covenant in accordance with their respective constitutional processes.

3. When such amendments come into force they shall be binding on those Parties which have accepted them, other Parties being still bound by the provisions of the Covenant and any earlier amendment which they have accepted.

## DRAFT COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

*(Preamble and first 16 articles were revised by the Commission on Human Rights at its April-June 1952 Session)*

## Preamble

*The States Parties hereto,*

CONSIDERING, that, in accordance with the principles proclaimed in the Charter of the United Nations, recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world.

RECOGNIZING that these rights are derived from the inherent dignity of the human person,

RECOGNIZING that, in accordance with the Universal Declaration of Human Rights, the ideal of free men enjoying freedom from fear and want can only be achieved if conditions are created whereby everyone may enjoy his economic, social and cultural rights, as well as his civil and political rights,

CONSIDERING the obligation of States under the Charter of the United Nations to promote universal respect for, and observance of, human rights and freedoms,

REALIZING that the individual, having duties to other individuals and to the community to which he belongs, is under responsibility to strive for the promotion and observance of the rights recognized in this Covenant,

Agree upon the following articles:

## PART I

## Article 1 [Self-Determination]

*[The Commission on Human Rights drafted this article at its 1952 Session. The Commission did not have sufficient time to consider whether the provisions of Parts II and IV should apply to this Article I.]*

## Article 7

The States Parties to the Covenant recognize the right of everyone to just and favourable conditions of work, including:

(a) Safe and healthy working conditions;

(b) Remuneration which provides all workers as a minimum with:

(i) Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular, women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work; and

(ii) A decent living for themselves and their families; and

(c) Rest, leisure and reasonable limitation of working hours and periodic holidays with pay.

## Article 8

The States Parties to the Covenant undertake to ensure the free exercise of the right of everyone to form and join local, national and international trade unions of his choice for the protection of his economic and social interests.

## Article 9

The States Parties to the Covenant recognize the right of everyone to social security.

## Article 10

The States Parties to the Covenant recognize that:

1. Special protection should be accorded to motherhood and particularly to maternity during reasonable periods before and after childbirth; and

2. Special measures of protection, to be applied in all appropriate cases within and with the help of the family, should be taken on behalf of children and young persons, and in particular they should not be required to do work likely to hamper their normal development. To protect children from exploitation, the unlawful use of child labour and the employment of young persons in work harmful to health or dangerous to life should be made legally actionable; and

3. The family, which is the basis of society, is entitled to the widest possible protection. It is based on marriage, which must be entered into with the free consent of the intending spouses.

## Article 11

The States Parties to the Covenant recognize the right of everyone to adequate food, clothing and housing.

## Article 12

The States Parties to the Covenant recognize the right of everyone to an adequate standard of living and the continuous improvement of living conditions.

## Article 13

The States Parties to the Covenant, realizing that health is a state of complete physical, mental and social well-being, and not merely the absence of disease or infirmity, recognize the right of everyone to the enjoyment of the highest standard of health.

The steps to be taken by the States Parties to the Covenant to achieve the full realization of this right shall include those necessary for:

(a) The reduction of infant mortality and the provision for healthy development of the child;

(b) The improvement of nutrition, housing, sanitation, recreation, economic and working conditions and other aspects of environmental hygiene;

(c) The prevention, treatment and control of epidemic, endemic and other diseases;

1. All peoples and all nations shall have the right of self-determination, namely, the right freely to determine their political, economic, social and cultural status.

2. All States, including those having responsibility for the administration of non-self-governing and trust territories and those controlling in whatsoever manner the exercise of that right by another people, shall promote the realization of that right in all their territories, and shall respect the maintenance of that right in other States, in conformity with the provisions of the United Nations Charter.

3. The right of the peoples to self-determination shall also include a permanent sovereignty over their natural wealth and resources. In no case may a people be deprived of its own means of subsistence on the grounds of any rights that may be claimed by other States.

## PART II [GENERAL PROVISIONS]

### Article 2

1. Each State Party hereto undertakes to take steps, individually and through international co-operation, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in this Covenant by legislative as well as by other means.

2. The States Parties hereto undertake to guarantee that the rights enunciated in this Covenant will be exercised without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

### Article 3

The States Parties to the Covenant undertake to ensure the equal right of men and women to the enjoyment of all economic, social and cultural rights set forth in this Covenant.

### Article 4

The States Parties to this Covenant recognize that in the enjoyment of those rights provided by the State in conformity with this Covenant, the State may subject such rights only to such limitations as are determined by law only in so far as this may be compatible with the nature of these rights and solely for the purpose of promoting the general welfare in a democratic society.

### Article 5

1. Nothing in this Covenant may be interpreted as implying for any State, group or person, any right to engage in any activity or to perform any act aimed at the destruction of any of the rights or freedoms recognized herein or at their limitation, to a greater extent than is provided for in this Covenant.

2. No restriction upon or derogation from any of the fundamental human rights recognized or existing in any country in virtue of law, conventions, regulations or custom shall be admitted on the pretext that the present Covenant does not recognize such rights or that it recognizes them to a lesser extent.

## PART III [ECONOMIC, SOCIAL, AND CULTURAL RIGHTS]

### Article 6

1. Work being at the basis of all human endeavour, the States Parties to the Covenant recognize the right to work, that is to say, the fundamental right of everyone to the opportunity, if he so desires, to gain his living by work which he freely accepts.

2. The steps to be taken by a State Party to this Covenant to achieve the full realization of this right shall include programmes, policies, and techniques to achieve steady economic development and full productive employment under conditions safeguarding fundamental political and economic freedoms to the individual.

(d) The creation of conditions which would assure to all medical service and medical attention in the event of sickness.

#### Article 14

1. The States Parties to the Covenant recognize the right of everyone to education, and recognize that education shall encourage the full development of the human personality, the strengthening of respect for human rights and fundamental freedoms and the suppression of all incitement to racial and other hatred. It shall promote understanding, tolerance and friendship among all nations, racial, ethnic or religious groups, and shall further the activities of the United Nations for the maintenance of peace and enable all persons to participate effectively in a free society.

2. It is understood:

(a) That primary education shall be compulsory and available free to all;

(b) That secondary education, in its different forms, including technical and professional secondary education, shall be generally available and shall be made progressively free;

(c) That higher education shall be equally accessible to all on the basis of merit and shall be made progressively free;

(d) That fundamental education for those persons who have not received or completed the whole period of their primary education shall be encouraged as far as possible.

3. In the exercise of any functions which they assume in the field of education, the States Parties to the Covenant undertake to have respect for the liberty of parents and, when applicable, legal guardians to choose for their children schools other than those established by the public authorities which conform to such minimum educational standards as may be laid down or approved by the State and to ensure the religious education of their children in conformity with their own convictions.

#### Article 15

Each State Party to the Covenant which, at the time of becoming a party to this Covenant, has not been able to secure in its metropolitan territory or other territories under its jurisdiction compulsory primary education, free of charge, undertakes, within two years, to work out and adopt a detailed plan of action for the progressive implementation, within a reasonable number of years, to be fixed in the plan, of the principle of compulsory primary education free of charge for all.

#### Article 16

1. The States Parties to the Covenant recognize the right of everyone:

(a) To take part in cultural life;

(b) To enjoy the benefits of scientific progress and its applications.

2. The steps to be taken by the States Parties to this Covenant to achieve the full realization of this right shall include those necessary for the conservation, the development and the diffusion of science and culture.

3. The States Parties to the Covenant undertake to respect the freedom indispensable for scientific research and creative activity.

#### PART IV [REPORTING PROCEDURE]

(Part IV was initially drafted by the Commission on Human Rights at its 1951 Session and was not considered at its 1952 Session because of the lack of sufficient time to do so. The renumbering of the articles of Parts IV and V is not official, but has been done for the convenience of the reader. The Commission has not as yet decided whether the procedure set forth in this Part IV should also be applicable to civil and political rights. Sentiment at the 1951 session of the Commission was divided

on this issue. This procedure was, however, initially drafted by the Commission with respect to the economic, social and cultural rights in this Covenant. For this reason this procedure is included only in this Covenant.)

#### Article 17

[formerly Article 60]

The States Parties to this Covenant undertake to submit reports concerning the progress made in achieving the observance of these rights in conformity with the following articles and the recommendations which the General Assembly and the Economic and Social Council, in the exercise of their general responsibility may make to all the Members of the United Nations.

#### Article 18

[formerly Article 61]

1. The States Parties shall furnish their reports in stages, in accordance with a programme to be established by the Economic and Social Council after consultation with the States Parties to this Covenant and the specialized agencies concerned.

2. Reports may indicate factors and difficulties affecting the degree of fulfilment of obligations under this part of the Covenant.

3. Where relevant information has already previously been furnished to the United Nations or to any specialized agency, the action required by this Article may take the form of a precise reference to the information so furnished.

#### Article 19

[formerly Article 62]

Pursuant to its responsibilities under the Charter in the field of human rights, the Economic and Social Council shall make special arrangements with the specialized agencies in respect of their reporting to it on the progress made in achieving the observance of the provisions of this Part of the Covenant falling within their competence. These reports shall include particulars of decisions and recommendations on such implementation adopted by their competent organs.

#### Article 20

[formerly Article 63]

The Economic and Social Council shall transmit to the Commission on Human Rights for study and recommendation the reports concerning human rights submitted by States, and those concerning human rights submitted by the competent specialized agencies.

#### Article 21

[formerly Article 64]

The States Parties directly concerned and the specialized agencies may submit comments to the Economic and Social Council on the report of the Commission on Human Rights.

#### Article 22

[formerly Article 65]

The Economic and Social Council may submit from time to time to the General Assembly, with its own reports, reports summarizing the information made available by the States Parties to the Covenant directly to the Secretary-General and by the specialized agencies under Article . . . indicating the progress made in achieving general observance of these rights.

#### Article 23

[formerly Article 66]

The Economic and Social Council may submit to the Technical Assistance Board or to any other appropriate international organ the findings contained in the report of the Commission on Human Rights which may assist

such organs in deciding each within its competence, on the advisability of international measures likely to contribute to the progressive implementation of this Covenant.

*Article 24*  
[formerly Article 67]

The States Parties to the Covenant agree that international action for the achievement of these rights includes such methods as conventions, recommendations, technical assistance, regional and technical meetings and studies with governments.

*Article 25*  
[formerly Article 68]

Unless otherwise decided by the Commission on Human Rights or by the Economic and Social Council or requested by the State directly concerned, the Secretary-General of the United Nations shall arrange for the publication of the report of the Commission on Human Rights, or reports presented to the Council by specialized agencies as well as of all decisions and recommendations reached by the Economic and Social Council.

*Article 26*  
[formerly Article 69]

Nothing in this Covenant shall be interpreted as impairing the provisions of the Charter of the United Nations and of the Constitutions of the specialized agencies, which define the respective responsibilities of the various organs of the United Nations and of the specialized agencies in regard to the matters dealt within this Covenant.

PART V

*Article 27*  
[Territories Application Article]

*[This article was adopted by the General Assembly at its 1950 Session and revised only slightly by the Commission on Human Rights at its 1951 Session]*

The provisions of the present Covenant shall extend to and be applicable equally to a signatory metropolitan State and to all the territories, be they Non-Self-Governing, Trust, or Colonial Territories, which are being administered or governed by such metropolitan State.

*Article 28*  
[Federal-State Article]

*[The consideration of this article was postponed until the 1953 Session of the Commission on Human Rights. The United States, together with Australia and India, submitted the following proposal for this article:]*

1. A federal State may at the time of signature or ratification of, or accession to, this Covenant make a Declaration stating that it is a federal State to which this Article is applicable. In the event that such a Declaration is made, paragraphs 2 and 3 of this Article shall apply to it. The Secretary General of the United Nations shall inform the other States Parties to this Covenant of such Declaration.

2. This Covenant shall not operate so as to bring within the jurisdiction of the federal authority of a federal State making such Declaration, any of the matters referred to in this Covenant which independently of the Covenant, would not be within the jurisdiction of the federal authority.

3. Subject to paragraph 2 of this Article, the obligations of such federal State shall be:

(a) In respect of any provisions of the Covenant, the implementation of which is, under the constitution of the federation, wholly or in part within federal jurisdiction, the obligations of the federal government shall,

to that extent, be the same as those of Parties which have not made a declaration under this Article.

(b) In respect of any provisions of the Covenant, the implementation of which is, under the constitution of the federation, wholly or in part within the jurisdiction of the constituent units (whether described as states, provinces, cantons, autonomous regions, or by any other name), and which are not, to this extent, under the constitutional system bound to take legislative action, the federal government shall bring such provisions with favorable recommendations to the notice of the appropriate authorities of the constituent units, and shall also request such authorities to inform the federal government as to the law of the constituent units in relation to those provisions of the Covenant. The federal government shall transmit such information received from constituent units to the Secretary General of the United Nations.]

*[Former Articles 70 and 73 were revised by the Commission on Human Rights at its 1950 Session and were not considered at its 1951 or 1952 Session because of the lack of sufficient time to do so.]*

*Article 29*  
[formerly Article 70]  
[Ratification and Accession]

1. This Covenant shall be open for signature and ratification or accession on behalf of any State Member of the United Nations or of any non-member State to which an invitation has been extended by the General Assembly.

2. Ratification of or accession to this Covenant shall be effected by the deposit of an instrument of ratification or accession with the Secretary-General of the United Nations, and as soon as twenty States have deposited such instruments, the Covenant shall come into force among them. As regards any State which ratified or accedes thereafter the Covenant shall come into force on the date of the deposit of its instrument of ratification or accession.

3. The Secretary-General of the United Nations shall inform all Members of the United Nations, and other States which have signed or acceded, of the deposit of each instrument of ratification or accession.

*Article 30*  
[formerly Article 73]  
[Amendments]

1. Any State Party to the Covenant may propose an amendment and file it with the Secretary-General. The Secretary-General shall thereupon communicate the proposed amendment to the States Parties to the Covenant with a request that they notify him whether they favour a conference of States Parties for the purpose of considering and voting upon the proposal. In the event that at least one-third of the States favour such a conference the Secretary-General shall convene the conference under the auspices of the United Nations. Any amendment adopted by a majority of States present and voting at the conference shall be submitted to the General Assembly for approval.

2. Such amendments shall come into force when they have been approved by the General Assembly and accepted by a two-thirds majority of the States parties to the Covenant in accordance with their respective constitutional processes.

3. When such amendments come into force they shall be binding on those parties which have accepted them, other parties being still bound by the provisions of the Covenant and any earlier amendments which they have accepted.

• *Mr. Simsarian is assistant officer in charge of United Nations Cultural and Human Rights Affairs and also adviser to the U.S. representative on the Commission on Human Rights.*

## U.S. Proposes Investigation of Bacteriological Warfare Charges

*Statements by Ernest A. Gross*

*Deputy U.S. Representative to the United Nations*

### NEED FOR ELIMINATION OF GERM WARFARE<sup>1</sup>

*Mr. President:*<sup>2</sup>

Despite the lateness of the hour, I feel that the situation and the comments which you have made require a reply on my part. With the permission of the Council I should like to proceed to make such a reply.

Mr. President, it seems to me that we are faced with a situation which we must consider very carefully. For some time, there has been under way on the part of the Government of the Soviet Union a campaign which has been repeatedly characterized by all responsible officials of the Unified Command, and by others in a position to know the facts, as a false and malicious campaign regarding the use of bacteriological warfare in Korea.

In view of the nature of the statement which the representative of the Soviet Union has made this afternoon, I do not intend at this time to go into detail regarding the nature of that campaign of lies nor to elaborate other than to say that there has been no evidence, no evidence whatever, placed before the membership of the United Nations or manifested in any other way, on any other front, throughout the world that the Soviet Government has abandoned its campaign of lies regarding the question of germ warfare.

It is a matter—

[At this point, the President, Mr. Malik, appeared to consider ruling Ambassador Gross out of order.]

I believe I have the floor, Mr. President. I think that many people will be touched, if not interested, in the respect which the President of the Council purports now to observe for the rules of procedure

<sup>1</sup> Made in the Security Council June 18 and released to the press by the U.S. Mission to the U.N. on the same date.

<sup>2</sup> Yakov Malik, U.S.S.R. representative to the U.N., served as president of the Security Council during June. He also serves as representative of the U.S.S.R. on the U.N. Disarmament Commission.

in contrast to the abuse of those rules in August of 1950.<sup>3</sup> I think that it will be clear to the members of the Council, and I hope as well to the President of the Council, that what I am about to say will show very definitely and clearly why the comments which I have made are completely relevant to the question of the Geneva protocol and its ratification.

I had started to say, Mr. President, that I do not intend to speak more about the germ warfare charge at this time, except to say that we are not yet convinced by any means that the Soviet Government is prepared to abandon a false and malicious charge, the continuation of which can be fraught only with misfortune and disaster.

The reference to the germ warfare propaganda campaign which the Soviet Government has been carrying on is quite relevant, inescapably connected with the subject of the Geneva protocol. I am sure that everyone will realize that in appraising the merits of the proposal of the Soviet Government in the resolution regarding the Geneva protocol, it is absolutely essential to keep in mind whether the motive of those who make that proposal stand the light of truth and of inspection.

The draft resolution, which the Soviet representative submitted today and to which I shall address myself directly, the draft resolution would have the Security Council appeal to all states to accede and to ratify the Geneva protocol of 1925. And the protocol, as is known, provides for the prohibition of the use in war of asphyxiating, poisonous, or other gases, and of all analogous liquids, materials, or devices, as well as bacteriological methods of warfare.

As was said in the Disarmament Commission, when the proposal was made by the Soviet representative regarding the Geneva protocol, and when the claim was made that the ratification of that

<sup>3</sup> A reference to Mr. Malik's presidency of the Council in August 1950.

protocol is an essential condition, an element of a peaceful world and of a disarmament program, it was our representative in the Commission, Ambassador Cohen, who said then, and I repeat his words now:

Those who make false charges concerning the use of bacteriological warfare can just as easily make false promises not to use bacteriological warfare.<sup>4</sup>

When in 1925 the Geneva protocol was proposed and signed, statesmen still hoped that exchange of promises would be honored by all states. Most of them then, as most of them today, regarded treaties as binding on those who signed them. An agreement was an agreement; and many thought that this was sufficient without any need for machinery to safeguard the observance of the agreements.

The United States signed but did not ratify this protocol. The reasons why the United States Senate did not ratify the protocol may be of interest to the historian of American attitudes of that period. But these reasons are no more relevant to a consideration of the problem today than would, let us say, consideration by the Security Council of the attitudes of the Soviet Government toward the rest of the world in 1925. What matters deeply to us and to all those who, we believe, comprise the freedom-loving world, what matters are the problems which confront us all today. It was in full recognition of these problems that we are talking about today, that in 1947 the President of the United States withdrew the Geneva protocol from the Senate calendar along with 18 other treaties which had become just as obsolete as the Geneva protocol. The world has moved since 1925 and the question of ratification must be viewed in the light of today's facts.

### Soviet Reservations

One of those facts is that the Soviet Union, in acceding to the Geneva protocol, stated the following reservation:

(1) The said Protocol only binds the Government of the USSR in relation to the States which have signed and ratified or which have definitely acceded to the Protocol.

(2) The said Protocol shall cease to be binding on the Government of the USSR in regard to all enemy States whose armed forces or whose Allies *de jure* or in fact do not respect the restrictions which are the object of this Protocol.

The first point, the point in the first reservation to which I have referred, means that the Soviet Government by its own reservation feels free to use poison gases or germ weapons against any state which for any reason has not ratified the protocol. This, it seems to me, exposes the sham character of the pretense that poison gases or germ weapons should never be used under any circumstances, which is implied by the statement of the Soviet representative in his resolution that

the use of these weapons is inadmissible. They are clearly not considered inadmissible for use by the Soviet Government under the conditions which are set forth in the reservations which the Soviet Government made to the protocol.

The second point, the second reservation is equally important, even more important. It means that the Soviet Government regards itself as free to use poison gases or germ warfare against any state which it decides to label an enemy and which it declares has used these weapons, where as I have said the reservation states that the protocol "shall cease to be binding on the Government of the USSR in regard to all enemy States whose armed forces or whose Allies *de jure* or in fact do not respect the restrictions which are the object of this Protocol."

It is here that the President will observe that the close connection between the actions which his Government has taken in a campaign of lies regarding germ warfare are so intimately related to the question of what the Geneva protocol means to the Soviet Government today.

I do not mean to suggest for a moment that the reservation which I have quoted is in itself inappropriate. Other states which acceded to the protocol, including some members of this Council, have expressed a similar reservation. What I do say is that the Soviet Government by charging the U.N. Command with the use of bacteriological weapons has set the stage for using these weapons itself if it should decide to declare that the states resisting aggression in Korea are its enemies.

The Chinese Communist and North Korean authorities are not parties to the protocol. But even if they signed it or should do so today, under the Soviet reservation and on the basis of the same false charges they have made against the United Nations regarding the use of germ warfare, they could proclaim this very afternoon their right to attack with germ weapons every member of the United Nations which is supporting the action against their aggression in Korea.

It seems to me very clear how extremely limited is the nature of the illusion of a Soviet promise in the Geneva protocol. The Soviet representative in his statement a short while ago referred to a declaration of policy regarding the stockpiling of weapons. The Geneva protocol does not refer to or limit in any way the stockpiling of weapons. The Soviet Union has not by signing the protocol or otherwise agreed to stop manufacturing weapons either for gas warfare or for bacteriological warfare. It has not even promised not to use such weapons. It has promised, for what that promise is worth, not to use them first except against countries which have not ratified the convention, and there they do not even attach that limitation of not using them first.

The present resolution, therefore, the one before us, we characterize and stamp as a fraud, for in

<sup>4</sup> BULLETIN of June 9, 1952, p. 912.

it the Soviet Government asks other states, or would have the Council recommend to other states, to ratify a protocol which the Soviet Union on the basis of its own false charges, which have not been withdrawn by anything which the representative of the Soviet Union said today, on the basis of its own false charges his Government could declare no longer binding upon itself.

That is the situation in which the world finds itself today.

The real question is not the exchange of promises with or without reservations. The world is concerned not about the announced intentions of states, whether or not they plan to use or promise not to use certain weapons. It is concerned about the known abilities of states, whether or not they possess certain weapons, and of the capacities and means to employ them.

### **Soviet Union Engaged in Research**

The Soviet Union admits it is engaged in research on bacteriological weapons. For instance, in 1938, Marshal Voroshilov said:

Ten years ago or more the Soviet Union signed a convention abolishing the use of poison gas and bacteriological weapons. To that we still adhere, but if our enemies use such methods against us I tell you we are prepared and fully prepared to use them also and to use them against aggressors on their own soil.

There was never an attempt made on the part of the Soviet Union to conceal the fact that it was prepared and fully prepared, as Voroshilov said, to use this weapon, the use of which the Soviet resolution fraudulently describes, from its own point of view, as inadmissible.

The United States, for its part, thinks it is obvious that until an effective disarmament program is agreed upon, we must build our own defenses, for this is the only way left to us to deter potential aggressors.

It is the possibility that states may use bacteriological weapons that must be faced. It is the danger that aggressors may use bacteriological weapons that must be eliminated.

The best evidence of the United States attitude toward germ warfare is our own record. The United States has never used germ warfare in World War II or at any other time. I am authorized to say on behalf of the Unified Command that the United States has not and is not using germ warfare of any kind in Korea. The people of the United States, along with the rest of the decent world, are sickened at the very thought of the use of the weapons of mass destruction. We are sickened also by aggression and the threat of aggression. That is why the United States stands ready to eliminate weapons of mass destruction through the establishment of an effective system based upon effective safeguards so that their use may be prohibited effectively and would indeed be impossible.

The United States, however, is unwilling, completely unwilling to participate in committing a fraud on the world through placing reliance solely upon paper promises which permit the stockpiling of unlimited quantities of germ warfare or other weapons that could be used at the drop of a hat; which permit the most elaborate preparations behind the Iron and behind the Bamboo Curtains and with preparations that could not possibly be detected.

Let us eliminate the weapons. That will bring a sense, a real sense of security to the world.

My Government proposes not the exchange of promises against the use of such weapons but the absolute elimination of such weapons. We want to see the world in a situation where these weapons together with all weapons of mass destruction cannot in fact be used at all, for the simple reason that no one has them and that everyone can be sure that no one has them.

The Soviet Union now in effect proposes a "declaration" prohibiting atomic weapons. The United States proposes a system of international control of atomic energy, which will actually prohibit and prevent the use of atomic weapons because no nation will possess the means to make them. An overwhelming majority of the members of the United Nations have shown through the years their conviction that only through this approach can the world be freed from the danger of atomic warfare. An overwhelming majority showed a similar conviction with regard to germ warfare when they voted last fall to establish under the Security Council the Disarmament Commission and directed it to find means of eliminating all weapons of mass destruction under a system of safeguards adequate to insure that they really are eliminated.

It is in the Disarmament Commission of course that this discussion, this very discussion, properly belongs. The Soviet representative, in my view erroneously invoking a point of order under the rules, has pointed out—I regret that he has not done so more frequently in the Disarmament Commission—has pointed out that there is a great and important distinction between the question of regulation of armaments on the one hand and the question of charges, false charges, concerning their use on the other.

By his own admission this question and this proposal deal not with the false charges of germ warfare. They deal with the problem of the regulation of armaments and the prohibition of weapons of mass destruction. That admission merely confirms, what I think most of us realize, that the Disarmament Commission is the proper body in which to pursue this discussion and at the present time, I think, the only proper body.

We have ourselves in the Disarmament Commission, as have a number of our colleagues, already explained our position in regard to the Geneva protocol and in regard to the elimination,



the actual elimination, of all weapons of mass destruction, including atomic and germ warfare.

By his draft resolution the Soviet representative is attempting to transfer the discussion of one phase of the regulation of armaments from the Disarmament Commission at this time to the Security Council. I think I have shown that the Geneva protocol itself does not even begin to provide the minimum requirements needed today to guarantee against the use of bacteriological warfare.

Nevertheless, the declared objective of the Soviet draft resolution is to provide, and I quote from it, "for the prohibition of the use of bacteriological weapons." That objective my Government shares. That objective my Government believes, and I think the overwhelming majority of the members of the United Nations shares our view, can be achieved only by detailed plans of international control set in a framework of comprehensive disarmament proposals covering all armed forces and all armaments.

For these reasons the U.S. delegation moves, pursuant to rule 33, paragraph 4, of our rules of procedure, that the Soviet draft resolution, document S/2663, be referred to the Disarmament Commission for consideration, pursuant to the terms of reference of that commission, in connection with the proposals which the General Assembly has directed the Disarmament Commission to prepare "for the elimination of all major weapons adaptable to mass destruction."

I respectfully hope that members of the Council will agree that this is the proper way for the Council to deal with the Soviet draft resolution. Item 2 of the program of work adopted by the Disarmament Commission on March 26 of this year reads: "Elimination of weapons of mass destruction and control with a view to ensuring their elimination."

That is the program of work of the Disarmament Commission. Unless there be any doubt as to what that means, the U.S. representative on the Disarmament Commission, along with several other members, has said that this specifically is intended to include bacteriological weapons. He has also said, and this is pertinent to our discussion today, the U.S. Government is interested in disarmament as a means of preventing war, outlawing war, not as a means of regulating war.

That statement of policy I think brings us, and I conclude with this, very close to the heart of our problem here. Aggression is the enemy, not the particular weapons used, as the General Assembly has itself declared in a resolution overwhelmingly supported by the United Nations under the title Peace Through Deeds. Aggression is the enemy. The elimination of weapons of mass destruction, the drastic reduction of armed forces, and the regulation of the weapons needed to support those armed forces will decrease the possibility of aggression. It is because we wish

to see real progress in this vital task that we propose the referral of the Soviet draft resolution to the Disarmament Commission.

#### REQUEST FOR IMPARTIAL INVESTIGATION<sup>5</sup>

The resolution which the President of the Council has submitted to us has all the characteristics of a disembodied spirit.

The Soviet representative has asked the Council to adopt a resolution urging the ratification of a protocol now 27 years old. However, if his arguments prove anything at all, it is not that the Council should act. On the contrary, taking his argument at face value, it shows the need for pressing on in the Disarmament Commission with plans for the effective control of all weapons of mass destruction, including germ warfare weapons. Everything he says confirms our view that the Soviet draft resolution should be referred to the Disarmament Commission for consideration pursuant to its terms of reference.

In the Disarmament Commission, the Soviet representative spoke in a manner utterly contradictory to what he says here in the Security Council. In speech after speech he attacked my country with utterly false and malicious accusations, that we were killing Korean and Chinese civilians and soldiers through the use of germ warfare. He does not now withdraw and abandon these lies. Instead, he submits to the Council a resolution asking for the ratification of the Geneva protocol of 1925 on the prohibition of bacteriological weapons.

But between his resolution and the charges regarding germ warfare he proceeds to draw a thin and rusty iron curtain. He tells us there is no connection whatever between the two. Why does he make these delicate distinctions?

Can it be because the introduction of the germ warfare charges inevitably invites an investigation into the charges?

The Soviet representative has concentrated on the Geneva protocol of 1925, implying that there must be something sinister in the fact that the United States has not ratified it.

I have already called his attention to the fact that this is the year 1952, not 1925. We are concerned, the whole free world is concerned, with the facts of life which we face today. In light of the facts of history, is it any wonder that in the field of weapons control, the paper pledge has given way to insistence upon workable, practical systems for elimination of all weapons of mass destruction, including germ warfare and the atom weapon?

The Soviet representative brought in the report by the Special Committee of the League of Na-

<sup>5</sup> Statement made in the Security Council June 20 and released to the press by the U.S. Mission to the U.N. on the same date.

tions as authority for the contention that there could be no effective control of bacteriological weapons. The Soviet Government apparently believes that it is useless even to try to devise such controls. My Government differs.

To wage bacteriological warfare on any large scale is a vast operation requiring extensive munitions of the conventional type, arsenals for manufacturing and loading, and carriers. Preparations for waging such warfare can be detected in a relatively open world. An open world such as is envisaged in the proposals before the Disarmament Commission where international inspectors have free access to the entire national territory of all states, we believe, would afford an effective safeguard against large-scale preparation for bacteriological warfare.

We are convinced that the methods for effective safeguards must be sought by sincere people working honestly to accomplish that objective. The proper place to accomplish this is in the Disarmament Commission and in its committees.

In his statement here on Wednesday [June 18], the Soviet representative indicated that the Disarmament Commission was sidestepping the control of germ warfare. He stated in particular that the United States had submitted no practical proposals on the prohibition of bacteriological weapons and that we opposed a proposal concerning the prohibition of bacterial weapons. He is wrong in both cases. What are the facts? The United States has consistently taken the position that the elimination of bacteriological weapons must be included in a comprehensive and coordinated disarmament program. To quote from a statement to the Disarmament Commission by the United States representative, Ambassador Cohen, on May 27:<sup>6</sup>

Bacteriological weapons can be eliminated only if certain states are willing, as the United States is willing, to establish an effective system of safeguards. The technical safeguards connected with bacteriological warfare would differ from those of atomic energy and also from those in connection with other types of nonatomic weapons. . . .

The first and all-important safeguard against bacteriological warfare, however, is an open world, a world where no state could develop the military strength necessary for aggression without other states having ample warning and the opportunity to protect themselves.

But what of the Soviet representative's second claim, his contention that in the Disarmament Commission we opposed consideration of the question of banning bacteriological weapons? He is an accomplished creator of straw men and this is no exception. He has selected a paragraph from the *Soviet Plan of Work*, which was voted down as a whole by a vote of 9 to 1. The Commission adopted as a better formulation another plan of work which covered the prohibition of germ warfare. It is included in subparagraph B of the

work plan on the elimination of all major weapons adaptable to mass destruction. It is therefore quite untrue to state that the United States opposes or has opposed consideration of the prohibition of germ warfare in the Disarmament Commission.

In his statement here Wednesday, the Soviet representative also referred to the protracted discussion in the United Nations on the reduction of armaments and the prohibition of atomic weapons as having diverted attention from the prohibition of bacterial weapons. He added that attention was drawn to this point by the report of the Secretary-General of the United Nations to the third session of the General Assembly.

However, on this very report of the Secretary-General, of which Mr. Malik spoke so warmly on Wednesday, *Pravda* in its issue of September 16, 1948, declared:

Trygve Lie twice refers to bacteriological warfare. Is not the definite purpose of this to distract the attention of the General Assembly and of world public opinion from the existing unresolved question of atomic energy? This attitude of Trygve Lie is in accord with the interests of the Anglo-American Bloc, but in no way conforms with the interests of peace and security of the peoples of the world.

In much the same vein on Wednesday, the Soviet representative accused us of diversionary tactics in connection with his resolution. For example, take the question of reservations to the Geneva protocol. If you will recall, I pointed out that the Soviet Union had made certain reservations to the Geneva protocol. These reservations had the effect of allowing the Soviet Government to use poison gas or germ warfare against any state which had not ratified the protocol. Furthermore, I pointed out that the Soviet Government, through its reservations, was free to use poison gas or germ warfare against any state which it labeled an enemy, and which it declares has used these weapons.

I pointed out that many states had expressed similar reservations concerning the Geneva protocol. I was not criticizing them for having done so. The Soviet representative either misunderstood or intentionally missed the point. Let me bring out the point as sharply as possible.

These reservations become a fraud and a trick when the government which expresses them habitually and brazenly uses in its propaganda arsenal the weapon of the lie. There is a world of difference between the government which reserves its right to fight fire with fire and that which paves the way for using such weapons by falsely charging others with their use.

We have witnessed for months now an international campaign, sponsored by the Soviet Union and designed to sell the world on the false and wicked lie, that the United States is waging bacterial warfare in Korea. Acting on this totally false premise, the Chinese and North Korean Communists, even if they were full signatories

<sup>6</sup> BULLETIN of June 9, 1952, p. 913.

to the Geneva protocol, could proclaim today their right to use germ warfare against the United Nations forces in Korea.

### Geneva Protocol Not Enough

This is the point which the Soviet representative avoided. This is how a legal and justifiable reservation can be twisted into a basis for criminal action. This is how even such a well motivated document as the Geneva protocol can be used not as a defense against an aggressive act but as an excuse for it. This is why the Geneva protocol is not enough. This is why we place our faith in an international, coordinated system for the control and elimination of weapons of mass destruction, including bacteriological weapons.

But we know, even if the Soviet representative chooses to state otherwise, that the Geneva protocol has been invoked here for purposes other than the legitimate control of bacteriological weapons. It is, as we have said, part of the campaign of lies pressed so assiduously by the international Communist movement concerning the alleged use of germ warfare in Korea. For it is designed to "prove" that the United States has always wanted to have a free hand to wage germ warfare, if it chose to do so.

The Soviet representative seems determined to isolate the Geneva protocol from the realities of Soviet propaganda. That is his privilege in the Council. We, on the other hand, have a right to expose the falsity of these charges and we intend to ask for it now. We are not misled by the sham device of the Soviet representative in pretending in this forum that his arguments on the Geneva protocol are not related to his Government's false charges of germ warfare.

We believe the Council must concern itself with this question. We should have an impartial investigation of the alleged use of germ warfare.

I request the Security Council to meet on Monday, June 23, at 3 p. m. to consider the following new agenda item: "Question of request for investigation of alleged use of bacteriological warfare."

I request the Acting Secretary-General and you, Mr. President, to place this new item *directly after* the item which deals with the Geneva protocol of 1925, if action on that item has not been completed prior to the Monday meeting.

On Monday if that item dealing with the Geneva protocol appears on the provisional agenda, I shall at that time vote for the adoption of an agenda with my Government's new item *directly after* the Geneva protocol item.

Action by the Security Council is necessary to prevent the charges of bacteriological warfare from continuing to poison the relations between states and to obscure the historic and decisive significance of the U.N. action in repelling aggression in Korea. For the information of the Council, Mr. President, I am now handing to you a draft resolution for circulation under my agenda item. It is less than a page in length. For the information of the Council I should like to read it.

### Text of U.S. Draft Resolution <sup>7</sup>

#### THE SECURITY COUNCIL

NOTING the concerted dissemination by certain governments and authorities of grave accusations charging the use of bacteriological warfare by United Nations forces in Korea;

NOTING that the Government of the USSR has repeated these charges in organs of the United Nations;

RECALLING that when the charges were first made the Unified Command for Korea immediately denied the charges and requested that an impartial investigation be made of them;

REQUESTS the International Committee of the Red Cross, with the aid of such scientists of international reputation and such other experts as it may select, to investigate the charges and to report the results to the Security Council as soon as possible;

CALLS UPON all governments and authorities concerned to accord to the International Committee of the Red Cross full cooperation, including the right of entry to, and free movement in, such areas as the Committee may deem necessary in the performance of its task,

REQUESTS the Secretary General to furnish the Committee with such assistance and facilities as it may require.

<sup>7</sup> U.N. doc. S/2671, dated June 20, 1952.

## The United States in the United Nations

[June 20–July 3, 1952]

### Security Council

The Council on June 26 rejected the Soviet draft resolution calling on all states to accede to and ratify the Geneva Protocol of 1925 on the prohibition of bacteriological warfare. All the members, with the exception of the Soviet Union, abstained from voting after unanimously emphasizing that the problem of dealing with mass-destruction weapons is one of eliminating the weapons rather than offering paper pledges concerning their use. They supported the view that the comprehensive program under discussion in the Disarmament Commission would take care of the elimination of all weapons of mass destruction.

Ambassador Ernest A. Gross (U.S.), in explaining the United States vote on the motion, stated:

. . . I think it is clear to all that the ten votes . . . have been cast as a measure of the scorn and of the repudiation which I think all ten members of the Council, except the Soviet representative, feel for the futile and vain trick which the Soviet Government has attempted to perpetrate upon this Council, in raising the false issue of the ratification of the Geneva Protocol. It seems clear from the debate which has taken place and from the action which we have witnessed just now as a symbol of unity, which will not crack and strain however violent the efforts may be of the Soviet Government to confuse and to divide and to terrorize the free world.

Ambassador Gross concluded by stating that in view of the Council's repudiation of the U.S.S.R.'s "attempt to mislead us and others throughout the world into believing that the Geneva Protocol is the secret of security today," he did not consider it necessary to present the United States motion to refer to the Disarmament Commission the rejected Soviet resolution.

On June 20 Ambassador Gross requested that the Council place on its agenda as of June 23 a United States item entitled "Question of Request for Investigation of Alleged Bacteriological Warfare" and in connection therewith submitted a draft resolution<sup>1</sup> requesting the International Committee of the Red Cross (Icrc), with the aid of such scientists of international reputation and such other experts as it may select, to investigate the charges against the United Nations Forces in

Korea and to report the results to the Security Council as soon as possible. The draft resolution also called upon all governments and authorities concerned to accord to the Icrc full cooperation, including the right of entry to and free movement in, such areas as the Committee may deem necessary in the performance of its task.

Through the obstructionist tactics of Mr. Malik (U.S.S.R.), President of the Security Council for June, the vote—10-1 (Soviet Union)—0—to include this item on the agenda was not taken until June 25. The Soviet representative insisted that before the item could be adopted it would be necessary to approve his proposal that representatives of the People's Republic of China (Prc) and of North Korea be invited to participate in the discussion. Ambassador Gross pointed out that such a matter could not be decided in advance and that such a course had never been followed before. He recalled that in the Disarmament Commission the U.S.S.R. had repeatedly made the bacteriological charges and, in fact, had spoken for the Prc and Northern Korean representatives on those occasions. After adoption of the agenda item, the Council would decide what sort of problem it was faced with and then could consider any proposals regarding participation. He added, however, that the United States would oppose such an invitation. The United States was not asking for presentation of evidence in the Security Council, he said. The essence of the proposal was to conduct an investigation through an impartial body.

On July 1 the Council rejected the Soviet proposal by a vote of 1 (U.S.S.R.)—10-0, and decided—9-1 (U.S.S.R.)—1 (Pakistan)—to give priority to the United States item over the agenda item of admission of new members. Mr. Malik reiterated that the question of an investigation commission was impossible without the participation of the representatives of the Prc and North Korea and that the Soviet delegation therefore would not participate in the debate and would vote against the United States resolution.

Ambassador Gross (U.S.) remarked that the Soviet representative might try to evade the truth with a "sit-down strike" but he could not sit on the truth or "veto the facts." He explained the reasons for the United States request for an impartial

<sup>1</sup> For text, see p. 37.

investigation and recalled in detail the facts of the origin and nature of the campaign of false charges concerning the use of germ warfare in Korea by the United Nations Command. In conclusion, he reiterated that the larger issue involved was the awful Soviet policy of hate. As this was a revolt against the fundamental purpose of the Charter, Ambassador Gross urged that the United Nations and the whole world keep alert to its effects.

On July 3 the U.S.S.R., casting its forty-ninth veto, voted against the United States resolution requesting an investigation by the Icrc. The vote was 10-1-0. Ambassador Gross then introduced a resolution condemning the dissemination of false charges, "which increases tension among nations. . . ."

### **Economic and Social Council**

A major item considered by Ecosoc during the past month of the fourteenth session was the problem of economic development of underdeveloped countries and methods of financing such development. In this connection it considered the annual report of the International Bank for Reconstruction and Development. Eugene R. Black, president of the Bank, stated that by March 31, 1952, the Bank had lent just over 1.3 billion dollars for more than 250 projects in 26 member nations.

The Bank also submitted its report, which had been requested by Ecosoc, on the proposed establishment of an International Finance Corporation "to promote the financing of productive private enterprise either through loans without government guarantee and through equity investments, or through other methods intended for the same purpose." Although not expressing opinions on the merits of such an institution and noting that further study would be required, the report declared that the corporation "would fill an important gap in the existing machinery for financing economic development."

Isador Lubin, U.S. representative, stated that although his Government was favorable to a plan through which private capital might be stimulated to invest in sound enterprises in underdeveloped countries, it was felt "that governments should wish carefully to consider the various aspects and implications of this proposal before deciding whether to embark upon it. There is also need to increase the movement of domestic private savings in the underdeveloped countries into local business enterprises," he said. He introduced a joint draft resolution, with Canada and Pakistan, which requested the International Bank to examine further this proposal for an International Finance Corporation; to consult with member governments and other interested governments on the desirability of

establishing such a corporation; and to report the results of its further examination and the action it has taken to Ecosoc during 1953. On June 23 this resolution, with the additional cosponsorship of the Philippines, was adopted by a vote of 15-0-3 (Soviet bloc).

Under this same item, the Council also adopted, June 23, by a vote of 15-0-3 (Soviet bloc), a draft resolution sponsored by Burma, Chile, Cuba, Egypt, Iran, the Philippines, and Yugoslavia which provided for the establishment of a 9-member committee, serving in personal capacities, to prepare a detailed plan for establishing a special development fund for grants-in-aid and for low-interest, long-term loans to underdeveloped countries. The Secretary-General was asked to appoint the members of the committee, which is to report to the Council not later than March 1, 1953.

In connection with this resolution, Mr. Lubin (U.S.) stated:

Our opposition is based on the grounds that the time is not opportune. In addition, the Government of the United States has reservations, in principle, to the provision of grant aid by an international agency. . . . We fully recognize the need of the less developed countries for external assistance. We have provided and we will continue to provide aid in the form of grants, loans, technical assistance and in other appropriate ways. . . . Subject to the conditions contained in the sixth General Assembly resolution, namely that "the study and elaboration of the plans . . . cannot and must not be regarded as in any way committing the governments . . . in any degree, whether financially or otherwise," the United States Delegation is prepared to support the resolution. . . .

Among other actions taken by the Council during the past month are the following:

It noted the 1950-51 report of the Food and Agriculture Organization (Fao) and (1) adopted by a vote of 15-0-3 (Soviet bloc) a French-Iranian resolution recommending that all members should take steps to help achieve the general objective of increasing the production of principal foodstuffs at an annual rate exceeding by from 1 to 2 percent the rate of the increase in population; and (2) adopted unanimously on June 30 a revised United States-Iran-Uruguay resolution calling upon the United Nations, individual governments, international organizations, and voluntary organizations to make plans for coming to the aid of the people in any country in the case of emergency famines with which the governments concerned are unable to cope. This resolution also requests, *inter alia*, that the Fao continue to develop and perfect its arrangements to detect famine emergencies as early as possible, and that the Secretary-General arrange for the coordination of the famine-emergency relief activities and report to Ecosoc on action taken.

## Explanation of Passport Procedures

*Press Conference Remarks by Secretary Acheson*

[Released to the press June 18]

I should like to talk with you for a few moments about the passport work of the Department. I am doing this because it has been the subject of discussion throughout the country pretty much over the years but rather intensively in the last few weeks.

The criticisms of the Department fall into two main categories.

One of them comes from very determined efforts which have been made by Communist organizations who attack the Department and undermine its work in order to obtain greater freedom of movement for people engaged in the Communist movement and in Communist-front organizations. There was recently a meeting at Chicago which was devoted to this purpose. It was a meeting of an organization called the "American Committee to Survey Labor Conditions in Europe." This was an organization which had sent propaganda groups to Moscow and the purpose of the meeting was to start a vigorous campaign against the State Department because of its passport policy with respect to Communists. With that criticism I am not concerned. We expect that and that, of course, is a matter to which we will pay no attention.

There are other discussions by people who are not in any way affiliated with such groups who are, I think, sincerely worried about procedures, although they do not, I think, attack the principles upon which we operate. They are concerned about our procedures, and it is about those procedures, against the background of the passport, the development of the passport over the last 30 years or so, that I wish to speak.

In the first place, I would like to say a word about Mrs. Shipley, who is the head of the Passport Division in the State Department. She has been there for many years. I, myself, have been a colleague of Mrs. Shipley for the past 12 years, and in various capacities which I have held in the Department I worked very closely with her. I do not know any person in the service of the Government who brings to her work greater devotion,

greater sense of public obligation and public duty, greater knowledge of the field, and greater skill than does Mrs. Shipley. I believe quite fortunately that view is widely held throughout the country. I have the greatest confidence in Mrs. Shipley and her administration of the Passport Division.

Now a word about passports and this matter of freedom of travel. Before World War I the passport was a fairly rare document. When I was a young man, the first two or three times that I went abroad one could, if one wished, come to the State Department and obtain a passport if the Government felt one was entitled to this official identification. But most people did not do that. It was not required and they traveled perfectly freely, got on a boat and went where they wished to go.

During World War I an official document permitting one to travel was required almost universally and this involved a sanction on the part of at least two governments. The government of the traveler's own country gave him an official paper signed by a high official of the government identifying the person as a citizen of that country and sponsoring to that extent his travel abroad. The receiving country then had to look at the document and grant a visa. So travel took on a more official character than it had before.

The American Government always in issuing passports exercised some judgment and was required to exercise some judgment. Nobody has any serious question of the fact that people who are fugitives from justice, people who are mentally ill, people who are setting out on a mission adverse to the national interests of the country concerned cannot expect to be given an official document permitting them to travel. That has always been true, and under the law the Secretary of State has to exercise his discretion and his good sense in this matter. I believe that that has been exercised fairly and properly as long as I can remember and that deals strictly with the administration of Mrs. Shipley.

Recently other considerations have become involved: the growth of the Communist conspiracy;

the growth of the Communist-front organizations; the growing awareness both by our courts and Congress that members of this organization were engaged in activities detrimental to the national interests of the United States has led the Congress to pass some legislation dealing with people of this sort which is not yet operative and has led the Department to give consideration to the appropriateness of issuing passports to such people. This, by no means, concerns the great category of people who are denied them. There are all the other categories which I mentioned earlier.

Now, I would like to put this whole matter in a certain statistical perspective. For instance, between July of last year and May 31 of this year, 325,000 passports have been issued by the Government of the United States. During that period, 95 requests for passports were denied because of evidence of membership in subversive organizations and another 95 passports were recalled after action by the passport holders indicated subversive affiliation or intent. So, this is the quantitative dimension of the problem with which we are dealing. That, of course, does not solve the problem at all. Whether only 95 or only 1 have been denied, if that one was improperly denied through improper procedures, or was whimsically denied, or unjustly denied, that would be wrong and would require corrective action.

In my judgment, there has been no arbitrary action of any sort. The action has been taken to the very best judgment of the persons concerned. Our procedures are not perfect. The judgment of these human beings may not be perfect but it is exercised as fairly and as well and as much in the devotion to the public interest as is possible for human beings to do. We can always improve our procedures. We are always trying to improve our procedures. They are flexible in growing, and we are at work now on improving our procedures.

#### **Procedures for Issuing Passports**

Perhaps you would like to know what they are. They are as follows: When an application is received for a passport at the Passport Division, the files of the Department are examined, and if there is nothing in those files to raise any questions regarding the person concerned, the passport is issued immediately, as a matter of routine.

Then we come to the second step. If there is adverse information, this information is reviewed at a higher level in the Passport Division, and if the information is not such as to provide reasonable grounds for belief that the passport should be denied—and the reasons for denial I have already mentioned to you—if there are not reasonable grounds from the totality of its evidence to indicate the applicant does not fall within any of the categories mentioned, then the passport is issued.

Sometimes the information in our files is not

adequate to reach a fair decision. In that case, the proper investigative bodies of the Government are asked to make a further examination regarding the applicant and to provide all the information regarding him or her which they can collect. When this has been collected, the file is sent to the Security Division of the Department, where the information is evaluated to see whether it is mere gossip—whatever is said about the person in regard to any of these criteria—whether it is or is not in the judgment of the Security Division persuasive.

If, after that review, it does not establish factual evidence sufficient to deny a passport, the passport is issued. If there is sufficient factual evidence, it is denied, and the applicant is informed that his travel is not considered in the best interests of the United States.

Third, if the case is complicated in any way—if there are difficult questions in it—the Passport Division submits the files and its decision to higher levels in the Department for decision, before the applicant is denied or granted a passport. The person concerned is informed that he may supply any additional information or may discuss the case with officials of the Passport Division. This has been done in a great number of cases, and new evidence furnished by the applicant has often resulted in the issuance of a passport.

Fourth, if the question of denial is based on the ground that the travel of the applicant may be harmful to the national interests of the United States, the political officers of the geographic areas in which the travel is to take place are consulted, and they take part in the decision as to whether the passport should be granted or rejected.

Fifth, any new evidence or information which the applicant may submit is referred to the officers who first evaluated the case. These officers are required to evaluate the new information and give their opinion as to whether the passport should or should not be issued.

Sixth, although we cannot violate the confidential character of the passport files by making public confidential information contained therein, the disclosure of which would affect the national security, an effort is made to inform the applicant of the reasons for the denial to the fullest extent possible within the security limitations.

#### **Applicant Has Right to Counsel**

The procedures which I have just described are pointed out to him so he may have opportunity to present his case. He is also informed that he may be represented by counsel of his choice, and that he or his counsel, or both, may be heard by the chief of the Passport Division or some other responsible officer.

At the present time the Passport Division does, in this way that I have described, hear many appeals from a preliminary decision to deny a

passport. In many cases this hearing, generally conducted by the chief or assistant chief of the Passport Division—far from being capricious or arbitrary—has led to the reversal of the preliminary procedure and the granting of a passport.

Furthermore, the chief of the Passport Division does not have final authority in the denial of passports, and the fact that this is so is made known to the applicant so that the applicant can ask for what further consideration he or she thinks necessary.

These are the procedures under which we are operating. As I say, they are the best that we have been able to develop to date, in order to protect both the interests of the United States, which are very great in this matter, and the interests of the citizen, which are also great.

We are continually reviewing these procedures. They are being reviewed now as they have been many times before; and if any improvements can be found, anything recommended by Mrs. Shipley, by the Deputy Under Secretary in charge of Administration, or by the Legal Adviser, all of whom are interested—deeply interested in perfecting these procedures—those improvements will be put into effect.

We are doing the best we can. We know that this is a situation in which we never can please everybody because we must, in the national interest, reject some applicants, and those applicants are always going to feel aggrieved by our action. Therefore, there will always be criticism. Some of the criticism will be honest criticism. I don't for a moment wish to impugn the motives of any of the persons other than this group of Communist-front organizations who are attacking the State Department in this manner. We know that our task is difficult. We know that we have great public responsibilities which we are trying to discharge in the best way that we can. We are doing the best that we know how to do.

## THE DEPARTMENT

### Appointment of Officers

Kenneth T. Young as Director of the Bureau of Far Eastern Affairs, effective March 20.

George M. Ingram as Director of the Office of International Administration and Conferences, effective May 16.

Edwin M. Martin as Special Assistant to the Secretary for Mutual Security Affairs, effective May 19.

William I. Cargo as Deputy Director of the Bureau of United Nations Affairs, effective June 3.

### Point Four Appointment

John Ralph Nichols as Director of Technical Cooperation in Egypt, effective May 20.

## PUBLICATIONS

### Recent Releases

*For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.*

**Germany: External Debt.** Treaties and Other International Acts Series 2274. Pub. 4323. 13 pp. 5¢.

Agreement between the United States, the United Kingdom, France, and the Federal Republic of Germany—Signed at Bonn Mar. 6, 1951; entered into force Mar. 6, 1951.

**Oil Shale Study in Brazil.** Treaties and Other International Acts Series 2296. Pub. 4352. 9 pp. 5¢

Agreement between the United States and Brazil—Signed at Rio de Janeiro Aug. 16, 1950; entered into force Aug. 16, 1950.

**Army Mission to Venezuela.** Treaties and Other International Acts Series 2299. Pub. 4365. 12 pp. 10¢.

Agreement between the United States and Venezuela—Signed at Washington Aug. 10, 1951; entered into force Aug. 10, 1951.

**Agriculture: Cooperative Program in Panama.** Treaties and Other International Acts Series 2302. Pub. 4368. 9 pp. 5¢.

Agreement between the United States and Panama—Signed at Panamá July 30, 1951; entered into force July 30, 1951.

**Defense Materials.** Treaties and Other International Acts Series 2305. Pub. 4382. 4 pp. 5¢

Agreement between the United States, the United Kingdom, France, and the Federal Republic of Germany—Signed at Bonn Oct. 23, 1950 and Mar. 6, 1951; entered into force Mar. 6, 1951.

**Technical Cooperation.** Treaties and Other International Acts Series 2307. Pub. 4384. 5 pp. 5¢.

Agreement between the United States and Saudi Arabia—Signed at Jidda Jan. 17, 1951; entered into force Jan. 17, 1951.

**Naval Mission to Cuba.** Treaties and Other International Acts Series 2310. Pub. 4388. 12 pp. 5¢.

Agreement between the United States and Cuba—Signed at Washington Aug. 28, 1951; entered into force Aug. 28, 1951.

**Conference for the Conclusion and Signature of the Treaty of Peace With Japan, San Francisco, Calif., Sept. 4-8, 1951—Supplement.** International Organization and Conference Series II, Far Eastern 3. Pub. 4392A. 161 pp. Limited distribution.

Supplement to the Record of Proceedings.

**Highway Project in Ethiopia: Services and Facilities of the United States Bureau of Public Roads.** Treaties and Other International Acts Series 2312. Pub. 4394. 10 pp. 5¢.

Agreement between the United States and Ethiopia—



Signed at Addis Ababa Feb. 26 and 27 and May 2, 1951; entered into force Feb. 27, 1951.

**Exchange of Official Publications.** Treaties and Other International Acts Series 2314. Pub. 4402. 3 pp. 5¢.

Agreement between the United States and the United Kingdom—Signed at Washington July 13 and 30, 1951; entered into force July 30, 1951.

**Vocational Education Mission to El Salvador.** Treaties and Other International Acts Series 2315. Pub. 4403. 3 pp. 5¢.

Agreement between the United States and El Salvador extending and modifying agreement of Jan. 27 and Feb. 12, 1951—Signed at San Salvador June 25, 1951; entered into force June 25, 1951; operative July 1, 1951.

**Inter-American Highway.** Treaties and Other International Acts Series 2319. Pub. 4411. 4 pp. 5¢.

Agreement between the United States and Costa Rica amending agreement of Jan. 16, 1942—Signed at Washington Jan. 13 and 17, 1951; entered into force Jan. 17, 1951.

**Parcel Post.** Treaties and Other International Acts Series 2322. Pub. 4414. 28 pp. 10¢.

Agreement and detailed regulations between the United States and the Gold Coast Colony—Signed at Accra June 3, 1951, and at Washington June 14, 1951; entered into force Aug. 1, 1951.

**Norwegian Mobile Surgical Hospital: Participation in the United Nations Operations in Korea.** Treaties and Other International Acts Series 2325. Pub. 4425. 3 pp. 5¢.

Agreement between the United States and Norway—Signed at Washington Sept. 17, 1951; entered into force Sept. 17, 1951.

**Economic Cooperation With Ireland Under Public Law 472, 80th Congress, as Amended.** Treaties and Other International Acts Series 2326. Pub. 4428. 2 pp. 5¢.

Agreement between the United States and Ireland amending agreement of June 28, 1948, as amended—Dated at Dublin Apr. 20 and June 7, 1951; entered into force June 7, 1951.

**Food Production: Cooperative Program in Haiti.** Treaties and Other International Acts Series 2329. Pub. 4433. 4 pp. 5¢.

Agreement between the United States and Haiti supplementing agreement of Sept. 18 and 27, 1950—Signed at Port-au-Prince June 28, 1951; entered into force June 29, 1951.

**Food Production: Cooperative Program in Haiti.** Treaties and Other International Acts Series 2330. Pub. 4434. 4 pp. 5¢.

Agreement between the United States and Haiti supplementing agreement of Sept. 18 and 27, 1950, as amended—Signed at Port-au-Prince Aug. 23 and Sept. 28, 1951; entered into force Sept. 28, 1951.

**Education: Cooperative Program in Honduras.** Treaties and Other International Acts Series 2333. Pub. 4439. 15 pp. 10¢.

Agreement between the United States and Honduras—Signed at Tegucigalpa Apr. 24, 1951; entered into force Apr. 24, 1951.

**Fisheries Mission to El Salvador.** Treaties and Other International Acts Series 2337. Pub. 4442. 8 pp. 5¢.

Agreement between the United States and El Salvador—Signed at San Salvador July 19, 1951; entered into force July 19, 1951.

**Disposal of Defense Installations and Equipment.** Treaties and Other International Acts Series 2353. Pub. 4450. 3 pp. 5¢.

Agreement between the United States and Canada—Signed at Ottawa June 17 and 18, 1949; entered into force June 18, 1949.

**Health and Sanitation: Cooperative Program in Bolivia.** Treaties and Other International Acts Series 2354. Pub. 4472. 3 pp. 5¢.

Agreement between the United States and Bolivia—Signed at La Paz Aug. 27 and Oct. 19, 1951; entered into force Oct. 19, 1951.

**Aviation: Air Transit Facilities in the Azores.** Treaties and Other International Acts Series 2345. Pub. 4488. 3 pp. 5¢.

Agreement between the United States and Portugal—Signed at Lisbon May 30, 1946; entered into force May 30, 1946.

**Finance: Collection and Application of the Customs Revenues of the Dominican Republic.** Treaties and Other International Acts Series 2365. Pub. 4490. 3 pp. 5¢.

Termination of convention and exchange of notes between the United States and the Dominican Republic signed Sept. 24, 1940—Exchange of notes signed at Washington Aug. 9, 1951.

**Automobiles, Customs Concessions.** Treaties and Other International Acts Series 2370. Pub. 4497. 3 pp. 5¢.

Provisional agreement between the United States and Chile—Signed at Santiago June 2, 1951; entered into force June 2, 1951; operative retroactively from Mar. 16, 1951.

**Education, Cooperative Program in Panama, Additional Financial Contributions.** Treaties and Other International Acts Series 2372. Pub. 4499. 4 pp. 5¢.

Agreement between the United States and Panama—Signed at Panamá Aug. 10 and Oct. 23, 1951; entered into force Oct. 23, 1951.

**Economic Cooperation With Austria Under Public Law 472, 80th Congress, as Amended.** Treaties and Other International Acts Series 2380. Pub. 4507. 2 pp. 5¢.

Agreement between the United States and Austria—Signed at Vienna May 11 and 15, 1951; entered into force May 15, 1951.

**Technical Cooperation.** Treaties and Other International Acts Series 2385. Pub. 4517. 5 pp. 5¢.

Agreement between the United States and Costa Rica amending agreement of Jan. 11, 1951—Signed at San José Dec. 19 and 20, 1951; entered into force Dec. 20, 1951.

## THE FOREIGN SERVICE

### Confirmations

The Senate on June 24 confirmed nominations of the following: Burton Y. Berry as Ambassador to Iraq; Donald R. Heath as Ambassador to the State of Vietnam and to the Kingdom of Cambodia; and James S. Moose, Jr., as Minister to the Republic of Syria.

The Senate on June 26 confirmed the nominations of Phelps Phelps as Ambassador to the Dominican Republic and Angus Ward as Ambassador to Afghanistan.

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## A Review of U.S.-Brazilian Relations

*Address by Secretary Acheson<sup>1</sup>*

I am deeply gratified and greatly honored to be with you here. More than once I have envied my predecessors whose official duties brought them to Brazil: Elihu Root, Charles Evans Hughes, Cordell Hull, Edward Stettinius, George Marshall.

I am extremely happy also to see here my old friend, Ambassador Herschel Johnson, who has made such a great contribution to the cause of Brazilian-United States friendship in the years that he has lived among you here in Brazil.

With the same pleasure that I have been looking forward to seeing Rio de Janeiro, President Truman has been looking back on his visit to this incomparably beautiful capital. I bring from him to President Vargas a personal message of greeting and good will. As a sincere friend of this great country, President Truman has been deeply impressed by the tremendous progress which is being realized in Brazil under the administration of President Vargas. Like all Americans, President Truman remembers vividly the loyal and spontaneous cooperation between our two countries during the last war as well as the close personal friendship between President Vargas and President Roosevelt.

President Truman's message of good will is extended from the people of the United States to the Brazilian people, who as peoples have an unbroken—I speak from the heart when I say, an unbreakable and very special—record of friendship.

It has been a friendship never passive, but always actively cooperative. Brazil and the United States have, as your President recalled in his message to Congress on March 15, "been joined in war and in peace with ties of friendship to which we have always given the most decided and loyal collaboration." And assuredly the "we" applies to both our countries. As he also said on another occasion, both historical tradition and

political and economic interests are conducive today, as always, to this policy of close collaboration.

There can be no doubt—I am certain that you feel no doubt—that on Brazil, as on the United States, falls a great responsibility for cooperation with the other democracies in this period, when democracy is as never before the hope of all who love freedom.

### **Inter-American Solidarity**

Your country is the fifth largest in the world: it is by far the largest of the American Republics—as large as the United States plus another Texas, and it has the longest coast line of any nation. Like my own country, it has the responsibility that comes with size, with strength, and with immense resources.

Your great nation has an additional responsibility deriving from your unique experience in trans-Atlantic relationships. It is one of the most dramatic incidents of history that when Europe was in the grip of the Napoleonic wars, the mother-government, Portugal, sought and found refuge here in her mighty colony of Brazil. You have had, therefore, the colonial, the imperial, and the republican experience. From that remarkable past you have emerged as one of the great democracies of the world.

Brazil's influence in international relations has always been beneficent, constructive, and cooperative. It is a peaceful and healing influence. It is an influence which we hope will be ever greater and ever more beneficent. It is a reflection of the inherent sense of kindness, loyalty, and responsibility of the Brazilian people. Brazil's continuous historical development as a nation has been accompanied always by a sense of responsibility toward the other peoples of the world, a realization that a country so richly endowed should promote the common welfare. That, undoubtedly, is one reason why Brazil has labored zealously, as has my country, on behalf of the solidarity of the American Republics.

<sup>1</sup>Made at a banquet given by Brazilian Foreign Minister Joao Neves da Fontoura at Itamaraty Palace, Rio de Janeiro, Brazil, on July 3 and released to the press (No. 529) on the same date.

Since the end of World War II, my Government has necessarily devoted much attention in the field of foreign relations to organizing the defense of the free world against the immediate threat of aggression in Europe and in the East. We have had to face up to difficult and complex problems. This has required months and, in some cases, years of painstaking negotiation. All this has been done under the threat of one of the most terrible menaces to the freedom of mankind that the world has ever known.

We live in an era of grave danger and we have had to address ourselves to that danger. But the fact that we have been involved in these difficult problems in Europe and in the East does not mean any lessening of our interest in this part of the world. Although the United States has become, out of necessity, involved in many ways, against our natural inclination, in other parts of the world, our cooperative programs in this hemisphere are being carried out more intensively than at any time in our history. And we have continued meanwhile to weave the fabric of our inter-American relations.

The problem of our security is indivisible. We cannot have categories or priorities in this regard. My country has been called upon to work simultaneously on all fronts, but these problems are not ours alone. For Western Europe or Indochina or Iran or Turkey to fall into the hands of the Soviet Union would be just as catastrophic as for a citizen of Belo Horizonte or Recife or a citizen of Boston or San Francisco. Likewise, though we are involved very deeply in Europe and the East, our interest in the welfare of Canada or Brazil or Chile must necessarily be greater today than at any time in the past. We should not mistake new commitments in other parts of the world for a slackening of interest in this part of the world.

### **Industrial Development**

During my recent visits to Europe I have been greatly encouraged by the resourcefulness of our democratic world. In our recent meetings at London, at Lisbon, at Paris, and at Bonn, the nations of Western Europe have created a new European community for the common defense. We have a long way to go before the European Defense Community will be fully developed, but all of us on this side of the Atlantic can take heart over the courageous way in which the countries of Europe have already overcome difficulties of incredible magnitude. The spirit of determination in Europe, so magnificently shown by the unflinching courage of the citizens of Berlin and Vienna whom I have seen in the last few days, can be an inspiration to us all.

And I might especially mention in connection with my recent European travels that my visit to

Lisbon last February and my first direct contact with a Portuguese-speaking people increased the anticipation with which I looked forward to my visit to Brazil.

This last week I have been through countries of the sharpest contrasts imaginable. To fly in a few hours over the industrial countries of Western Europe and the desert areas of West Africa is a vivid experience. Brazil—unlike either of the other areas—is in a third stage of economic development. It would be wrong to refer to Brazil as an “underdeveloped” country. The tremendous industrial progress which you have achieved in São Paulo, at Velta Redonda in the State of Rio de Janeiro, in the great State of Minas Gerais, and elsewhere in Brazil is proof enough of your development. Yet there is much that remains to be done to enable the citizens of this great country to enjoy the maximum benefits of its economic potential.

The United States wants to help Brazil in every possible way in its efforts towards economic progress. We are well aware that in a relatively short period of time Brazil can become one of the richest countries in the world. We in my country want Brazil to prosper. We want to see it strong economically. Brazil has always been our friend, and it is to the mutual interest that each member of the friendship should be as strong as possible.

The proof of this conviction lies not just in words but in deeds. Beginning with Velta Redonda we have shown the world that we can work together towards practical and constructive goals.

Many people once expressed skepticism over the Joint Brazil-United States Economic Development Commission. The work of organizing this Commission and of attacking the monumental problems of rehabilitating and integrating the transportation system of Brazil and of developing plans for electric energy adequate to the needs of the country has been a long and arduous one. A great American, Francis Adams Truslow, just a year ago gave his life to this cause. But the Commission has overcome all difficulties. With the financing last month of the first projects approved by the Commission, the work of this important body has entered on a new and decisive stage.

I have familiarized myself with the work of the Commission, and I look forward to meeting with its members while I am here. The work that has already been completed and in process is an amazing tribute to the untiring efforts of these patriotic men who are devoting their talents and energies to this important task. I have no doubt that this body will have a vital impact upon the future of the Brazilian economy. The Commission has certain specific and well-defined tasks to perform, and it should do them in the quickest possible time now that it has entered into this new stage of operations.

## Constructive Contributors to Brazil's Progress

I wish to pay tribute to those in the Brazilian Government who have so loyally supported the Commission at all stages. I include specifically your distinguished Minister of Foreign Affairs, Joao Neves da Fontoura, with whom I had the pleasure of exchanging views about the Commission when he was in Washington in March 1951; your dynamic Minister of Finance, Horacio Lafer, whose mission to Washington last September was such a brilliant success;<sup>2</sup> the tenacious Brazilian Commissioner, Ary Torres, and his wise and trusted financial adviser, Valentin Boucas; and your young and extremely competent Ambassador, Walther Moreira Salles, whose arrival in Washington coincided with the Commission's new phase of activities.

Finally, I wish to express appreciation for the services of Burke Knapp as U.S. Commissioner since he took over last year. Although Mr. Knapp must go back to important work in Washington next month, the continuity of the work of the Commission will not be impaired. Mr. Knapp's place will be taken by an outstanding friend, Ambassador Merwin Bohan.

What I have said about our desire to help Brazil to become ever stronger applies to all of the other American Republics who seek our help. The Good Neighbor Policy is an unshakable and fundamental part of the foreign policy of the United States.

This month we are having two political conventions in our country, and from now until November we shall be hearing the sound and fury of our Presidential election campaign. But it is certain that no one in either party will challenge the sanctity and the validity of the Good Neighbor Policy. And whichever candidate of whichever party comes into office next year will, I am certain, adhere firmly to the principles of our inter-American policy which have been worked out by both Democrats and Republicans in our country over the last 25 years.

One of the most pleasant recollections of my official career is of my participation in the Fourth Meeting of Consultation of Ministers of Foreign Affairs of American States which was held at Washington last year. It was a pleasure to sit around our common democratic council table with my friend, Dr. Neves da Fontoura, and our colleagues from the other American countries. I would note parenthetically that no single person at that meeting made a greater contribution to its work than Dr. Neves da Fontoura. As is typical of his character and his career, he proved to be a courageous and farsighted colleague. In his reply to President Truman at the opening session of the meeting, Dr. Neves da Fontoura spoke of our inter-American relations and said, "the politi-

cal solidarity among the American republics has not undergone in these troubled post-war years the slightest alteration either in its integrity or in its intensity."

As in every one of our inter-American conferences, the Fourth Meeting of Consultation resulted in greater progress towards unity of purpose in the Americas. We do not legislate in our inter-American meetings. But we have what is important in relations between nations, namely, community of purpose. As we go on with these meetings, that understanding and that community of purpose will grow and develop and through our inter-American organization we can continue to develop faith in each other. I firmly believe that friction among our countries disappears as true understanding of each other's objectives grows.

## Desire for Hemispheric Security

That is one reason why I have welcomed with eagerness the opportunity accorded me by your Foreign Minister to visit Brazil. Direct meeting between government officials goes far to enhance mutual understanding. I am grateful to the governments of other countries in South America who have been so gracious as to invite me to visit their countries. I only wish that time would permit me to make a more extensive journey. Some day I hope to return, but meanwhile I shall have derived profit and pleasure from this first, too brief, glimpse of this great continent.

I might say in passing that Rio de Janeiro has come to have a special significance in the history of inter-American cooperation. This beautiful city has been host to meetings whose deliberations have proved decisive for this hemisphere and, indeed, for the world in general.

The Third Meeting of Consultation of Ministers of Foreign Affairs of American States, held in a dark hour in January 1942, was decisive in solidifying our hemisphere against the terrible peril that then confronted us. The result of those deliberations was a transfusion of strength to the allied world whose cause then seemed to hang by such a slender thread.

Five years later, and 5 years ago this month, the Inter-American Conference for the Maintenance of Continental Peace and Security forged the Treaty of Rio de Janeiro. This is the basic document for the maintenance of our freedom in this hemisphere. That treaty is a further extension of the expressions of solidarity which had been made here by the Foreign Ministers in 1942.

More than 2 years ago, I told an inter-American audience in New York that one of the foremost policies of my Government is to fulfill its obligations under the Rio Treaty and to seek the maximum cooperation among the American nations for the achievement of a secure and peaceful hemisphere. My country has striven and strives unceasingly to that end. I wish to acknowledge

<sup>2</sup> For a statement on this mission, see BULLETIN of Oct. 8, 1951, p. 581.

here the equally tireless efforts of Brazil for the same high purpose.

At the Fourth Meeting of Foreign Ministers held in Washington last March, our countries proceeded from where we had left off in Rio de Janeiro in 1947 and in Bogotá in 1948 to broaden and strengthen the fabric of inter-American solidarity. To my mind one of the most important decisions of that meeting was resolution III on inter-American military cooperation. This resolution is of profound significance. For the first time in our inter-American history we agreed to direct the maintenance of our military establishments toward the common goal of continental security which has been the theme of all our inter-American work for so many years.

My Government, to carry out the purposes of this resolution, and in line with plans made by the Inter-American Defense Board under the Rio Treaty, entered into a series of bilateral agreements with other countries in the hemisphere, including Brazil. There is nothing aggressive or warlike about these agreements. Our adversaries have tried to make them appear so. But we have all come to know by now that what these adversaries say is not designed to be helpful or constructive.

These agreements are public documents. Their purpose is quite simply to carry out the purpose of resolution III by helping existing units of the armed forces of the countries concerned to act more effectively in common defense in the event of war.

### **Interdependence of U.S. and Brazil**

In all of these cooperative actions we find what Thomas Jefferson more than a century ago called "the advantages of a cordial fraternization among all the American nations." They also call to mind President Roosevelt's farsighted advice to the American peoples when he addressed the Supreme Court in Brazil in 1936: "Each one of us has learned the glories of independence," he said; "Let each one of us learn the glories of interdependence."

That sense of interdependence has been quickened by the pressing needs of our time into cooperative achievement incredible even a generation ago. We have learned in the Americas that to live together—to continue to live at all—we must work together.

In the words of Elihu Root, nobly spoken in your Monroe Palace 46 years ago, on July 31, 1906:

No nation can live unto itself alone and continue to live. Each nation's growth is a part of the development of the [human] race. There may be leaders and there may be laggards; but no nation can long continue very far in advance of the general progress of mankind, and no nation that is not doomed to extinction can remain very far behind. . . . There is not one that will not gain by the prosperity, the peace, the happiness of all.

That same interdependence has caused Brazil and the United States, together with the other American Republics, to be partners in the great enterprise which is the United Nations. All of the nations of this hemisphere played an important role in the San Francisco Conference in 1945. Their firm support of the principles of the United Nations reflects the principles of justice which are so important in the minds of the leaders of this continent.

The United Nations has given abundant evidence of the high value placed by fellow members on Brazilian cooperation. Your delegations to the United Nations are looked upon with respect by the other delegations. Brazilians have been frequently called upon to serve in places of honor in the United Nations as well as in other associated bodies, such as the International Monetary Fund and the International Bank, International Court of Justice, UNESCO, and the Food and Agriculture Organization. I have no doubt that our countries shall continue to participate with effectiveness and solidarity in the great work of the United Nations.

### **Cultural Amalgamation**

Our two countries have not limited their active interests to economic, political, and military problems. This cooperation also extends to the more intangible and spiritual field of cultural relations. There are many differences between our Anglo-Saxon cultural traditions on the one hand and your Latin and Iberian traditions on the other. We in our country have understood the reasons of sentiment and tradition which have inspired your Foreign Minister to be one of the leaders in the creation of the Latin Union, the first meeting of which was convened here in Rio de Janeiro last October. It is not a paradox that the differences between our cultures give depth and strength to many things we have in common.

The United States is an Anglo-Saxon country in its origin and in the formulation of its political and social institutions. We are proud of these traditions, as you are proud of yours. But we have drawn heavily, not only in our population but in our cultural interests and habits, from Europe. Our States of Rhode Island and California are heavily populated by persons of Portuguese ancestry. In the last election for Mayor of New York, the three principal candidates were of Italian ancestry. In the Southwest, Spanish tradition is still predominant in many parts. In the United States we have 35 newspapers printed in the Spanish language, 21 in French, and no less than 11 in Portuguese. Though we are predominantly a Protestant country, the Roman Catholic Church has a membership of over 30 million of our people, which makes it the largest single denomination of any faith in our country. It is undoubtedly the variety and catholicity in our cultural interests on both sides rather than any



narrow insistence by either upon one superior source of wisdom, truth, and beauty which made it possible for our two countries to have signed a convention strengthening the cultural ties between our peoples—the first cultural treaty the United States has ever signed. In the United States we feel a genuine appreciation of Brazilian art—your painting, your magnificent architecture, and your music; the popular music of your carnival season and the creative works of your composers, as well as the brilliant interpretations given them by your concert artists. Your literature also is attaining wide popularity, a fact attested by the constantly increasing audience of translations of Brazilian books.

Last year, in the Hall of the Americas of the Pan American Union, the 21 Republics of this hemisphere adopted unanimously the Declaration of Washington, which was based in large part upon the proposal presented by the delegation of Brazil. That document, embodying our common faith and our united resolution, expresses “the firm determination of the American Republics to remain steadfastly united, both spiritually and materially, in the present emergency or in the face

of any aggression or threat against any one of them.” It also reasserts the belief of the Republics of the hemisphere in “the efficacy of the principles set forth in the Charter of the American States and other inter-American agreements” and their support of the action of the United Nations as “the most effective means of maintaining the peace, security, and well-being of the people of the world under the rule of law, justice, and international cooperation.” That Declaration, that meeting, were the hemisphere’s steadily reiterated answer to every evil force that would plunge the world into darkness. The hemisphere is united in its determination to keep the torch of freedom aloft and burning.

No stress, no emergency, can make a free people willing to relinquish its freedom. The American Republics, nations born of the will to liberty, nurtured on the principles of liberty, are resolved that liberty shall be the inalienable heritage of their children’s children. In every crisis of our time, we have shown always in the hour of decision that for us only one outcome is possible: adherence to the principle of freedom, a truth by which we live as free men and as free peoples.

## **U.S. Relations With Dominican Republic Reflect Trend Toward International Cooperation**

*by Ralph H. Ackerman*

*Ambassador to the Dominican Republic*<sup>1</sup>

Any diplomat to be successful must be well versed in the humanities and the philosophies, drawing from the bottomless well of the knowledge and the experience of the great thinkers of all times, and he must have an understanding of the effect of those philosophies on present human relationships. As he spends a large part of his life away from his native land and is in daily association with peoples of different nations and speaking different languages, he cannot hold narrowly nationalistic views. It is his task not only to project to the governments and the peoples of the land in which he lives the thoughts, sentiments, aims, and

ambitions of his own people and government in such manner as to win their understanding and friendship and to convince them of the mutual benefits which may flow from close cooperation and association but also he must be capable of envisioning and interpreting accurately to his own government the effect on the welfare of his nation which may stem from the acts, conditions, philosophies, and ideologies of the country to which he is assigned.

To perform this task he should have a broad knowledge of the historical backgrounds of the peoples with whom he is in daily association, a knowledge of their institutions, of their accomplishments, their aspirations, and their language. Without this knowledge his impressions from current acts or happenings may be false, and his erroneous interpretation may lead to misunderstandings and strained relations. It does not suffice for the diplomat to hold within himself these

<sup>1</sup> Excerpts from the English version of an address made at the University of Santo Domingo, Ciudad Trujillo, D.R., on June 9; printed from telegraphic text. The occasion was the conferring of an honorary degree of Doctor of Philosophy on Ambassador Ackerman, who has since left the Dominican Republic and on June 30 retired from the Foreign Service.

attributes, if his mission is to be successful, for the end is not mere speculative knowledge of what is to be done but rather the doing of it. His accomplishments will be enhanced or diminished, in a large measure, by his courtesy and by the consideration he accords to the views of those with whom he treats.

You may recall that Victor Hugo said, "Philosophy should be an energy. It should find its aims and its effect in the amelioration of mankind." The philosophy of a diplomat should be an energy; the philosophy of Western nations today is the amelioration of mankind.

### **Beginnings of Pan Americanism**

Early in their history, the nations of this continent sought to put into practice this philosophy and gathered together, under the auspices of the great liberator, Bolívar, in a meeting to create a real spirit of pan-Americanism in 1826. After a lapse of 60 years, that is, in 1888, the idea was again activated by the first of the series of Pan American Conferences which has become normal procedure. The Pan American Union and the Organization of the American States were the instruments selected for organizing and following up the work of these Conferences. As a consequence of this and the determination among the American nations to get along one with the other, strife between them has been reduced to a minimum, and the pan-Americanism that we know today gives a lesson in conduct which might well be emulated throughout the world.

The United Nations was conceived as an instrument to attain and maintain the peace of the world. It soon discovered that the best assurance for a peaceful world lay in improving the conditions under which mankind lives, to make them conscious of the fact that war promises benefits to neither the victor nor the vanquished and can only bring disaster to the human race and to its hopes for a better civilization. All Western nations, either through the United Nations or by individual action, and many private groups, are today striving to make effective the philosophy enunciated by Victor Hugo, the amelioration of mankind, by bringing to their fullest development the benefits available through the knowledge and progress we have made in science and the humanities. Governments are taking a greater interest in the welfare of their nationals and of other peoples.

Your own illustrious President, Rafael Leonidas Trujillo, gave illustration of this trend when, in a speech he made only a few days ago, he reiterated an aspiration he has often voiced before, to raise the standard of living in the Dominican Republic so that his people may benefit from a fuller life. No one can gainsay the great benefits he has already succeeded in bringing about in the form of better educational facilities, hospitaliza-

tion, water supplies, port facilities, roads, and in every branch of economic activity. My own Government, concomitant with many domestic social reforms, has put into practical effect, in addition to its contributions to the United Nations, the World Health Organization, the United Nations Educational, Scientific and Cultural Organization, and other organizations complementing the United Nations, a world-wide program designed to assist in the diffusion of skills and the products of modern science, to benefit mankind, a program known as the Point Four Program, which has been acclaimed by many nations as one of the most effective weapons in the struggle for peace.

These are evidence that the Western World is conscious of the need to give practical effect to the philosophical counsel of Victor Hugo, a consciousness which has become more acute as there has emerged in the years immediately succeeding the last war the threat of a powerful state which seeks to destroy the systems of government and the mode of living which have been evolved from the experience of the past and developed as civilization has progressed, and to dominate all peoples. The influence of that state, and the appeal of its philosophy of distrust and hatred, has prospered only where force has coerced or where ignorance and poverty have prevailed. It can be arrested or conquered by the combined strength of the democratic nations and by their cooperative effort to ameliorate conditions which breed unrest and desperation. Many governments recognize that to this end we must make common cause, that we must set aside differences arising from a narrow nationalism and find that intelligent degree of internationalism which will contribute to the maintenance of our free institutions and permit our peoples to enjoy the fruits within our reach made possible by scientific advancements.

### **U. S. - Dominican Republic Relations Improved**

Excelencia Señor Rector, it has been my privilege to live in this beautiful country for almost 4 years. It has been my duty to advance the interests of my country. I have considered that that duty imposed upon me the responsibility of getting to know you and winning your friendship and your esteem. You have been most kind in meeting me more than halfway in this process of cultivation, and I believe it to be an incontestable fact that relations between our Governments and our peoples have shown a great improvement during these 4 years.

The Governments of our two countries have entered into a number of agreements from which we are deriving mutual benefits. We have encouraged the movement of Dominicans to the United States and Americans to the Dominican Republic as a means for our peoples to know one another better and to exchange information and knowledge. We are cooperating in a plan for the dis-

semination of skills and experience under the Point Four Program which should redound to the benefit of the Dominican people and to the commerce between our two countries; we have endeavored to bring to your people, through the Dominican-American Cultural Institute, a better understanding of the United States; we have both become parties to a multilateral agreement affecting our tariffs and trade, and I sincerely hope this may be followed by a bilateral agreement of a somewhat more extensive nature. Your Government has made available to my Government generous facilities for the conduct of experiments with guided missiles, and we have entered into mutually beneficial agreements concerning air commerce. It is my hope that these programs of cooperation can be extended as their benefits become apparent and that the seeds which have been sown or cultivated during my short tenure of office will grow into a robust tree, for I, too, believe in the practical application of a philosophy seeking to benefit mankind.

## **Military Assistance Agreement With Uruguay**

The Departments of State and Defense announced on June 30 the signing at Montevideo of a bilateral military assistance agreement with the Government of Uruguay.<sup>1</sup>

This agreement is consistent with, and conforms to, inter-American instruments already in effect, such as the Inter-American Treaty of Reciprocal Assistance (the Rio Treaty), the resolution on inter-American military cooperation approved at the Washington Meeting of Foreign Ministers of 1951, and the continuous planning of the Inter-American Defense Board.

The agreement is the seventh of its kind to be signed between the United States and one of the other American Republics.<sup>2</sup> Similar agreements, involving the provision of military grant-aid by the United States to promote the defense of the Western Hemisphere, have been signed with Ecuador, Peru, Cuba, Brazil, Chile, and Colombia. These agreements were initiated under the program of military grant-aid for Latin America, authorized in the Mutual Security Act of 1951. They illustrate the spirit of cooperation prevailing among the American Republics which makes it possible for them to concentrate, through self-help and mutual aid, upon increasing their ability to contribute to the collective defense of the Western Hemisphere and, by serving as a deterrent to potential aggressors, to contribute to the maintenance of world peace.

<sup>1</sup> For text of the agreement, see Department of State press release 513 of June 30.

<sup>2</sup> For text of a similar agreement with Ecuador, see BULLETIN of Mar. 3, 1952, p. 336.

## **Educational Exchange Agreement With Finland**

Press release 527 dated July 3

Finland and the United States signed an agreement on July 2 putting into operation the program of educational exchanges authorized by Public Law 584, 79th Congress (the Fulbright Act). The signing took place at Helsinki with Foreign Minister Sakaria Tuomioja representing the Republic of Finland and American Minister John M. Cabot representing the Government of the United States.

The agreement provides for an annual expenditure not to exceed the equivalent of \$250,000 in Finnish currency for a period of 5 years to finance exchanges between that country and the United States for purposes of study, research, or teaching. The program will be financed from certain funds made available by the U.S. Government resulting from the sale of surplus property to the Republic of Finland.

All recipients of awards under this program are selected by the Board of Foreign Scholarships, appointed by the President of the United States.

Under the terms of the agreement, a U.S. Educational Foundation in Finland will be established to assist in the administration of the program. The Board of Directors of the foundation will consist of eight members, four of whom are to be citizens of Finland and four to be citizens of the United States. The American Minister to Finland will serve as honorary chairman of the Board.

After the members of the foundation have been appointed and a program formulated, information about specific opportunities will be made public.

## **Letters of Credence**

### *Vietnam*

The newly appointed Ambassador of Vietnam, Tran Van Kha, presented his credentials to the President on July 1, 1952. For the texts of the Ambassador's remarks and the President's reply, see Department of State press release 519 of July 1.

### *Cambodia*

The newly appointed Ambassador of Cambodia, Nong Kimny, presented his credentials to the President on July 1, 1952. For the texts of the Ambassador's remarks and the President's reply, see Department of State press release 520 of July 1.

# A Materials Policy for the United States

## REPORT OF THE PRESIDENT'S INTERNATIONAL MATERIALS POLICY COMMISSION

*On June 23 there was released volume I of a report by the President's International Materials Policy Commission entitled Resources for Freedom. The 178-page volume, "Foundations for Growth and Security," will be followed by four others: "The Outlook for Key Commodities" (210 pages), "The Outlook for Energy Sources" (43 pages), "The Promise of Technology" (228 pages), and "Selected Reports to the Commission" (154 pages). Following are the text of a letter, released June 23, from the President to William S. Paley, chairman of the Commission; a statement by the President on actions taken to continue the Commission's work; a letter from the President to Congressional leaders; and excerpts from a digest of volume I prepared by the Commission.*

### THE PRESIDENT TO CHAIRMAN PALEY

DEAR MR. PALEY: Your Commission's report is a landmark in its field. I do not believe there has ever been attempted before such a broad and far-sighted appraisal of the material needs and resources of the United States in relation to the needs and resources of the whole free world. Nor, in my judgment, has the conclusion ever been so forcefully stated and documented that international cooperation in resource development and international trade in raw materials is imperative to world peace and prosperity.

Your report likewise makes clear exactly where and how we need to conserve and strengthen our natural resources here at home, and to maintain our dynamic progress in science and technology. The conviction you have expressed that this Nation, despite its serious materials problem, can continue to raise its living standards and strengthen its security in partnership with other freedom loving nations should be heartening to people everywhere.

I have not yet had an opportunity to study in detail each of your specific recommendations but I am sure they merit careful consideration, not only by the Congress and the executive branch of the Federal Government, but by state governments, the general public and especially by farm, labor, industry and other private groups most closely related to the problem. It is my hope that your report will stimulate further study and discussion, both in and out of Government, of all aspects of this vital problem.

I extend to your Commission and its staff my thanks and congratulations for the public service you have rendered. Your study, I feel sure, will be appreciated not only in our own country but by people of other nations with which the United States is cooperating toward the preservation of freedom and peace, and the enrichment of human life.

Sincerely yours,

HARRY S. TRUMAN

### STATEMENT OF THE PRESIDENT

White House press release dated July 1

I have today taken a number of actions to implement the report of the President's Materials Policy Commission, entitled "Resources for Freedom," which was submitted to me a week ago.

This report tells the story of the needs and resources of this Nation and the nations of the free world extremely well. The document should serve for years to come as a basic guide in providing adequate supplies of the materials we and other friendly nations of the world must have if we are to expand our economy and at the same time remain secure from threats of aggression.

The Commission has done a very constructive job, and I propose to do all that I can to see to it that the Federal Government acts promptly and effectively in continuing the excellent work which the Commission has initiated. To this end I have today taken the following actions:

1. I am transmitting the Commission's report to the Congress. I am not at this time asking for action on specific recommendations, but rather I am calling the entire document to the attention of the Congress in the hope that it will be studied by each member and by the appropriate committees of the Congress.

2. I am directing the National Security Resources Board to undertake a continuing review of the entire materials situation, as recommended in the Commission's report. The National Security Resources Board will, of course, need adequate funds if this activity is to be carried out effectively and I hope the Congress will provide needed appropriations for this vital project.

3. I am also asking the National Security Resources Board to organize a special task force recruited from various Government agencies to study the detailed recommendations of the Commission and to give me, within no more than 60 days, suggestions for carrying them out.

4. I am asking the heads of departments and agencies concerned with the materials problem to study the report and to advise me through the National Security Resources Board, within no more than 60 days, what steps they believe are appropriate in implementing these recommendations as they pertain to their respective agencies.

5. I am directing the Bureau of the Budget to make a comprehensive review, from an organizational standpoint, of the operations of the executive branch with respect to the materials problem, and to advise me of its findings within no more than 60 days.

The Government, of course, can only do a part of the job. Much of it will have to be done by private industry. Labor organizations, farm groups, and other private bodies can help work out solutions. The universities and private foundations can make a very significant contribution. It is my hope that both public and private groups will join together in the vital task of making certain that in the years to come through wise use of their resources the United States and the nations of the free world will enjoy continued growth and security.

#### LETTER TO CONGRESSIONAL LEADERS<sup>1</sup>

*The President on July 1 sent the following letter to Alben W. Barkley, President of the Senate, and Sam Rayburn, Speaker of the House of Representatives:*

I am transmitting to the Congress the report of the President's Materials Policy Commission, "Resources for Freedom." Our knowledge and understanding of the materials position of the United States and of its allies throughout the free world will be considerably increased by the de-

tailed review which has been prepared by the Commission. This is a document which deserves the most careful study by every member of the Congress, and I hope each one of them will take the time to familiarize himself with its contents.

This report, the fruit of months of intensive study by an independent citizen's group aided by experts drawn from Government, industry, and universities, shows that in the past decade the United States has changed from a net exporter to a net importer of materials, and projects an increasing dependence on imports for the future. The report indicates that our altered materials situation does not call for alarm but does call for adjustments in public policy and private activity.

In more than seventy specific recommendations, the Commission points out the actions which, in its judgment, will best assure the mounting supplies of materials and energy which our economic progress and security will require in the next quarter century.

I am requesting the various Government agencies to make a detailed study of these recommendations, and I am directing the National Security Resources Board to assume the responsibility of coordinating the findings and of maintaining a continuing review of materials policies and programs as a guide to public policy and private endeavor. As the need arises for legislation to solve materials problems affecting this Nation and other free nations, appropriate recommendations will be made to the Congress.

It is my hope that this report and the actions which may be taken as a result of it will contribute significantly to the improvement of this Nation's materials position and to the strengthening of the free world's economic security, both of which are the continuing objectives of United States policy.

Sincerely yours,

HARRY S. TRUMAN

#### DIGEST OF VOLUME I

[Excerpts]

There is a Materials Problem of considerable severity affecting the United States and the industrialized nations of Western Europe. Unless the problem is effectively met, the long range security and economic growth of this and other free nations will be seriously impaired. The Commission's report is primarily concerned with the United States problem, which cannot, however, be isolated from the rest of the free world problem.

The basic reason for the problem is soaring demand. This country took out of the ground two-and-one-half times more bituminous coal in 1950 than in 1900; three times more copper, four times more zinc, thirty times more crude oil. *The quantity of most metals and mineral fuels used in the United States since the first World War*

<sup>1</sup> H. doc. 527.

*exceeds the total used throughout the entire world in all of history preceding 1914.* Although almost all materials are in heavily increasing demand, the hard core of the materials problem is minerals.

In 1950, the United States consumed 2.7 billion tons of materials of all kinds—metallic ores, non-metallic minerals, agricultural materials, construction materials, and fuels—or about 36,000 pounds for every man, woman, and child in the country. With less than 10 percent of free world population, and only 8 percent of its area, the United States consumed more than half of 1950's supply of such fundamental materials as petroleum, rubber, iron ore, manganese, and zinc.

The President's Materials Policy Commission was asked by President Truman to investigate the long-term aspects of the materials problem as distinct from short range or emergency aspects, and picked as the period for study the quarter century between 1950 and 1975. The Commission's report does not overlook the possibility of war in this period but neither does it assume war. War would alter the patterns of materials demand and supply in swift and drastic ways; yet if permanent peace should prevail, and all the nations of the world should acquire the same standard of living as our own, the resulting world need for materials would be six times present consumption. In considering materials at long range, therefore, we have roughly the same problems to face and actions to pursue, war or no war.

For the last hundred years, the United States' total output of all goods and services (the Gross National Product, or GNP) has increased at the average rate of three percent a year, compounded. Such a rate means an approximate doubling every twenty-five years (which would mean a nineteen-fold increase in a full century). As of 1950, the GNP was approximately \$283 billion. In considering the next quarter century the Commission has made no assumption more radical than that the GNP will continue to increase at the same three percent rate compounded every year, which is the average of the last century, all booms and depressions included. This would mean a GNP in the middle of the 1970's of about \$566 billion, measured in dollars of 1950 purchasing power. The Commission has also assumed, after consultation with the Bureau of the Census, that population will increase to 193 million by 1975, and the working force to 82 million, compared to the 1950 figures of 151 million and 62 million. It has also assumed a shortening work week, but that man-hour productivity will continue to rise somewhat more than in the recent past. But even these conservative assumptions bring the United States up against some very hard problems of maintaining materials supply, for natural resources, whatever else they may be doing, are not expanding at compound rates.

Absolute shortages are *not* the threat in the materials problem. We need not expect we will

some day wake up to discover we have run out of materials and that economic activity has come to an end. *The threat of the materials problem lies in insidiously rising costs* which can undermine our rising standard of living, impair the dynamic quality of American capitalism, and weaken the economic foundations of national security. These costs are not just dollar costs, but what economists refer to as *real costs*—meaning the hours of human work and the amounts of capital required to bring a pound of industrial material or a unit of energy into useful form. Over most of the 20th century these real costs of materials have been declining, and this decline has helped our living standards to rise. But there is now reason to suspect that this decline has been slowed, that in some cases it has been stopped, and in others reversed. The central challenge of the materials problem is therefore to meet our expanding demands with expanding supplies while averting a rise in real costs per unit.

In materials, there is always a tendency for real costs to rise because invariably people use their richest resources first and turn to the leaner supplies only when they have to. What is of concern today is that the combination of soaring demand and shrinking resources creates a set of upward cost pressures much more difficult to overcome than any in the past. In the United States there are no longer large mineral deposits in the West waiting to be stumbled upon and scooped up with picks and shovels; nor are there any longer vast forest tracts to be discovered. We can always scratch harder and harder for materials, but declining or even lagging productivity in the raw materials industries will rob economic gains made elsewhere. The ailment of rising real costs is all the more serious because it does not give dramatic warning of its onset; it creeps upon its victim so slowly that it is hard to tell when the attack began.

In recent years, the general inflation has struck with special force at many materials, causing their prices to rise more than the price structure as a whole. Some materials prices are high today because demand has temporarily outrun supply; here we can expect the situation to adjust itself. But in other cases the problem is more enduring than this, and reflects a basic change of supply conditions and costs. It would be wishful, for example, to expect lumber prices to settle back to their pre-1940 price relationship; we are running up against a physical limitation in the supply of timber, set by the size and growth rates of our forests, and cost relief through easy expansion is not to be expected. For such metals as copper, lead, and zinc, United States discovery is falling in relation to demand, and prices reflect the increasing pressure against limited resources.

The Commission's report discusses at length the ways and means whereby rising real costs can be halted, and a trend toward lower real costs, such as we enjoyed through most of the first half of the 20th century, re-established. It recognizes also

the problem of having enough materials physically available in the event of war, and considers various ways of assuring materials security. The report emphasizes that "there is no such thing as a purely domestic policy toward materials that all the world must have; there are only world policies that have domestic aspects." The Commission states its conviction that if the United States and other free nations are, in the years ahead, to enjoy economic growth and national security, "they must coordinate their resources to the ends of common growth, common safety and common welfare." The Commission states as the major premise of its report that:

The over-all objective of a national materials policy for the United States should be to insure an adequate and dependable flow of materials at the lowest cost consistent with national security and with the welfare of friendly nations.

### Three Major Paths

In general, the United States has three major paths to follow in working out the problems of high consumption, prudent conserving, and a domestic resource base that is shrinking in comparison with our needs:

- 1) We can make new discoveries of needed materials at home, and otherwise increase the useable fraction of our total resource base.
- 2) We can alter our patterns of use away from scarce resources and toward more abundant ones.
- 3) We can import larger quantities of materials from other nations of the free world on terms advantageous to buyer and seller.

### *Getting More From Imports*

If there is to be a 50 to 60 percent increase in our use of materials in the next quarter century, this will mean that our total materials consumption will rise from 2.7 billion tons a year now to around 4 billion tons by 1975. The trend toward greater imports, perhaps amounting to a fifth or a quarter (by value) of what we use, thus seems inescapable. But here, too, we have flexibility. Where import conditions are unattractive we can always raise domestic output (at higher cost), develop substitutes or, if need be, use less. But where conditions for economic cooperation are favorable, it will, in the opinion of the Commission, pay us to import. The resource-rich but relatively undeveloped nations of South America, Africa, South Asia, and the Middle East will also profit, for by exporting to us they can obtain the dollar exchange with which to acquire more of the capital goods they need to assist their own economic growth. Such an interchange can take place between the industrial and resource nations, the report states, "to the tremendous advantage of each." The Commission rejects completely the

concept of United States "self-sufficiency" as amounting to "nothing more than a self-imposed blockade." The report continues:

The fact that nature distributed resources very unevenly over the face of the earth in relation to human population and consumption alone argues in favor of increasing integration of the various national economies of the free world. But the hard political facts of mid-twentieth century add further great weight to the proposition that it will be to the mutual advantage of all freedom-loving peoples of the earth to achieve a greater measure of economic and political cooperation than ever before, founded on the principles of mutual help and respect. Such cooperation can succeed only if it is based on a clear understanding of the varying needs and resources of all the nations concerned, and the opportunities which lie in mobilizing the strength of all to meet the particular weaknesses of each.

On paper, the economic opportunities in free world cooperation to produce materials are tremendous; they suggest a possible new era of world advancement dazzling in its promise. Unfortunately a great many problems, mostly man-made, lie in the path. Less developed countries today are highly conscious of the disparity between their own standards of living and those of more highly developed countries. They resent the stigma of "colonialism" which often attaches to economies heavily dependent on raw material exports. They remember the great depression of the 1930's when falling prices for their big raw material exports wiped out their ability to buy the goods they needed from their more industrialized neighbors.

On the other hand, individuals and corporations with capital to invest in foreign raw materials production hold back for fear of legal uncertainties, fear of expropriation, and the possible impermanence of governments with whom they might make contracts. They fear arbitrary administration of import and export controls and limitations on the convertibility of their earnings into American dollars. At home, tariffs, "Buy American" legislation, and certain aspects of our tax laws add to the obstacles.

It would be folly for policymakers in this or any other nation to assume that the present turmoil of the world will work itself out in ideal fashion. The violent political upheavals of this century clearly have not yet spent their force. What happens internally in the less developed nations, and to their economic and political relations with the industrially advanced nations of the free world, will largely determine whether materials development can be used to help world progress.

Enormous new investment would be needed for foreign resources expansion. Whereas the recent level of private U.S. investment in mining and smelting development abroad has averaged around \$50 million a year, the Commission estimates that \$100 million a year will be needed for the next 25 years to fulfill free world needs for copper alone.

With the United States economy facing stronger and stronger pressures toward rising real costs of materials, this Commission believes that national materials policy should be founded squarely on the principle of buying at the least cost possible for equivalent values. With growth pressing so heavily against our resource base we cannot afford to legislate against this principle for the benefit of particular producer groups at the expense of our consumers and foreign neighbors, and ultimately with prejudice to our own economic growth and security.

This cardinal principle of least cost has application to all major sectors of national materials policy: to development of domestic resources, to energy and technology, to imports of foreign materials, and to security. Its application is most often challenged, however, with respect to imports and security.

That our economy can best develop by obtaining its material at the lowest possible cost is most often attacked by those whose costs are higher than those of foreign competitors. It is they who ask for restriction of imports on the grounds of "protecting the American standard of living from the competition of lower paid foreign labor." This argument is often buttressed with the assertion that we should strive to be as self-sufficient as possible in view of the security risks we face.

The Commission feels strongly that this line of argument is fallacious and dangerous. The idea that the American standard of living must be protected from low-cost foreign supplies based upon "cheap labor" is an idea based on unemployment psychology. In a full employment situation the supply of any material from abroad at a price below that of our domestic costs (provided it does not represent a temporary dumping), does not lower the standard of living but actually helps push it higher. In the United States it enables us to use manpower and equipment to better advantage in making something that is worth more than the cheaper material that can be obtained from abroad. Abroad, our purchases will contribute to a strengthening of economic life and improvement of working conditions in the nations from whom we import.

It is true that where our domestic industries face a considerable reduction in output, with employees and capital unable to transfer quickly to more remunerative activities, the Government has the responsibility of easing the transition to the new situation. This, however, is hardly likely to be an important problem in the materials field, where even the declining industries are more likely to be faced with a shortage of manpower than with a surplus.

As, in one material after another, we reach the stage at which we must turn abroad for additional supplies, the point may be raised that we are endangering our security by dependence on foreign sources; on "fair weather friends" whose supplies in time of war will not be available to us.

This point is substantial enough for serious consideration. The issue must be defined. *It is to gain the greatest security at the lowest cost.* Sometimes the least-cost route to security is to give special aid to domestic industry, sometimes it is not; when aid is indicated it is always best to tailor it to the specific situation. Self-sufficiency for many materials is impossible; for many others it is economic nonsense. It is certainly not true that for all materials an unqualified dependence on domestic supplies is the best in the end, even when physically possible. With some materials, peacetime dependence on domestic supplies may mean such depletion that if war comes a reserve which might otherwise have existed will have been destroyed. With some materials it is much more economical to depend upon expanded output in safe areas abroad and on stockpiles built in whole or in part on foreign supplies than to maintain a domestic industry behind elaborate and expensive protection. With some materials it may be advisable to maintain a domestic industry which normally supplies only part of our requirements, but is capable of a rapid expansion. It is far from obvious that because we need a material desperately in wartime, the one best solution is to maintain a high-cost domestic industry in peacetime. That may sometimes be proper, but it is not generally so, and our policy must be to make separate decisions based on examination of the particular merits of each case.

The fallacy of self-sufficiency as a basic guide to a sound materials policy is that it costs too much, in every way. A 50-cent increase per barrel of petroleum or a 2-cent increase in the average price per pound of basic metals would add to our annual bill for these materials about \$1.0 billion and \$2.5 billion respectively. Yet it is not in dollars alone that the increased costs of self-sufficiency would be paid. Other countries in the free world find markets for their exports in the United States and we, to our profit, are a principal source of industrial products for them. Interferences with these normal channels of trade in the name of self-sufficiency would inevitably check economic growth both at home and abroad. The *political* consequences of self-sufficiency, with its accompanying damage to carefully established security arrangements, would prove even more serious.

The dimensions of the materials security problem are far broader than the needs of the United States alone, for we have a real concern to see that our allies are likewise well supplied with materials to support their own military strengths.



If a war should cut off the flow of oil to Western Europe from the Middle East, the burden of fueling Western Europe would fall heavily upon the oil producing nations of the Western Hemisphere. The problem then facing the United States of reconciling its own needs with those of its allies would transcend purely domestic considerations. For the United States and the rest of the free world the geography and logistics of a possible war, the greater mechanization of our armed forces, the superior care and protection of our manpower and the higher living standards of our people all put a heavier drain upon our resources than our adversaries are likely to encounter. Hence, to accomplish the same war ends, the free nations would require more materials than would the enemy. To meet or anticipate our needs from the supply side, we stockpile, and we seek reserve materials capacity in safe areas, domestic and foreign. On the supply side, civilian authority remains more or less in control. But on the demand side, the military, particularly in wartime, is in a commanding position. With each successive war, and now with preparation against the contingency of another, the military has become a greater and greater claimant against the material of the whole economy. It would be impossible to fix a maximum percentage of military claims to the total economy and say "beyond this point you may not go." But even though the point cannot be fixed it is known to exist—and to push military consumption beyond it is to collapse the civilian economy and hence, *per se*, to lose the war. Thus the military carries a heavy responsibility to use materials efficiently and to hold its demands to the lowest limits properly consistent with adequate military strength, both in peacetime and wartime. Progress has been made here in recent years, but there is room, and pressing need, for more.

### The Fundamental Concepts

The report sums up the convictions of the Commission as follows:

*First*, we share the belief of the American people in the principles of Growth. Where there may be any unbreakable upper limits to the continuing growth of our economy we do not pretend to know, but it must be part of the materials task to examine all apparent limits.

*Second*, we believe in private enterprise as the most efficacious way of performing industrial tasks in the United States. We believe in a minimum of interference with its patterns, but this does not mean we believe this minimum must be set at zero. Private enterprise itself has often asked for help or restraints from Government; we have thus long experienced a mixture of private and public influences on our economy. The Commission sees no reason either to blink this fact or to decry it, believing that the co-existence of great private and public strength is not only desirable but essential to our preservation.

*Third*, we believe that the destinies of the United States and the rest of the free non-Communist world are inextricably bound together. Applied to the Materials

Problem, this belief implies that if the United States is to increase its imports of raw materials—as we believe it must—it must return in other forms strength for strength to match what it receives. If we fail to work for a rise in the standard of living of the rest of the free world, we thereby hamper and impede the further rise of our own, and equally lessen the chances of democracy to prosper and peace to reign the world over.

### The Recommendations of the Commission

The Commission made over seventy recommendations to ease the materials problem and to ensure as far as possible against the threat of rising real costs. These recommendations appear in full in Volume I of the Commission's report.

#### TO STIMULATE FOREIGN TRADE AND OPEN UP NEW FREE WORLD MATERIAL SOURCES—

The Commission recommended that:

The United States should negotiate government-to-government agreements with resource countries, designed to encourage and protect the enormous investment necessary to create new materials production abroad. (It was also the Commission's view that United States representatives should encourage a wider use of United Nations technical assistance in geological surveying and minerals exploration in the underdeveloped countries.)

The United States should expand, perhaps to as much as four million dollars a year, its own technical assistance along the lines of geological surveys, preliminary exploration and mining technology advice, with assurances from the resource-countries' governments that they will promote conditions favorable to developing new mineral resources discovered.

When current emergency agencies eventually disband, a permanent agency should be empowered to make long-term purchase contracts, including price guarantees, with resource nations; to make loans for foreign materials production where special security interests justify assumption of risks beyond those assumable by the Export-Import Bank.

Legislation explicitly authorizing the Government to enter into management contracts for foreign materials expansion should be enacted by the Congress.

There should be permanent legislation empowering the elimination of duty, apart from reciprocal action by other countries, when U.S. need for imports of a particular material becomes crucial. (The Commission believes there should also be expansion of authority under the Reciprocal Trade Agreements Act to reduce duties on raw materials in which the United States is deficient.)

The "Buy American" Act, characterized by the Commission as "a relic of depression psychology" should be repealed.

There should be a continuing study of world materials demand and production, with statistics

maintained by the United Nations; special international study groups should be set up when particular difficulties are encountered, similar to those now reviewing wool, rubber and tin. (For reducing market instability the Commission saw promising possibilities in the multilateral contract, such as the International Wheat Agreement and in testing international buffer stocks as compensating inventories in a few materials.)

Certain changes in the U. S. tax laws should be made to spur materials investment by U. S. citizens in foreign countries as follows: allowing taxpayers to elect annually between "per country" and "over-all limitation" in claiming credits on their U. S. tax bill for taxes paid abroad; permitting deferral of reporting income until actually received; extending the privilege of filing consolidated returns with foreign subsidiaries; allowing stockholders in foreign corporations which have invested in exploration and development to treat part of their dividends as a tax-free return of capital rather than as taxable income.

## **Bombing of Power Plants in North Korea**

Press release 516 dated June 30

*During the course of an informal private talk to members of the British Parliament on June 26, Secretary Acheson covered a variety of subjects concerning various areas of the world. At one point during his talk the Secretary made some remarks about the bombing of power plants in North Korea. There have been conflicting reports of what the Secretary actually said on this subject. In view of this misunderstanding, Mr. Acheson on June 30 authorized the publication of the verbatim text of his remarks concerning these bombings. His remarks follow:*

If I may digress for a moment, I shall make some remarks about a matter which is one of controversy and which I would not speak about in England were it not for the fact that this is off-the-record. I shall restrict my remarks to what I think it is my duty to say to you at this time. This is about the matter that you have been debating in the last 2 or 3 days.

You would ask me, I am sure, if I did not say this, two questions, and I should like to reply very frankly to both of them. One question you would ask is: Shouldn't the British Government have been informed or consulted about this? To that, my answer would be "yes." It should have been; indeed, it was our intention to do it. It is only as the result of what in the United States is known as a "snafu" that you were not consulted about it.

I am sure that you are wholly inexperienced in England with government errors. We, un-

fortunately, have had more familiarity with them, and, due to the fact that one person was supposed to do something and thought another person was supposed to do something, you were not consulted. Therefore, you should have been. We have no question about that.

If you ask me whether you had an absolute right to be consulted, I should say "no," but I don't want to argue about absolute right.

What I want to say is that you are a partner of ours in this operation, and we wanted to consult you; we should have, and we recognize an error.

Now you ask me whether this was a proper action. To that I say: Yes, a very proper action, an essential action. It was taken on military grounds. It was to bomb five plants, four of which were far removed from the frontier, one of which was on the frontier. We had not bombed these plants before because they had been dismantled, and we wished to preserve them in the event of unification of Korea. They had been put into operation once more; they were supplying most of the energy which was used not only by airfields which were operating against us but by radar which was directing fighters against our planes.

*Statement by Acting Secretary Bruce*

Press release 526 dated July 2

Asked for a timetable of developments arising out of failure to inform the British of the contemplated action in bombing power installations in North Korea, Acting Secretary Bruce made the following extemporaneous statement at his press conference on July 2:

"It would be very difficult for me to give you any chronological statement. But I might say this: the failure to inform the British of the contemplated action was one which was due to a lack of coordination, if I may put it that way, between some of the departments of the Government. I think it is perfectly idle to try to ascribe the blame to one department or the other. There has been no difference of opinion between ourselves about it. We did not coordinate the action as we should have, and there it is."

## **U.S.-Philippine Cooperation Rebuilds Highway System**

Press release 509 dated June 30

June 30, 1952, has been set as the official date for the close of the highway rehabilitation program in the Philippines. Beginning in the fall of 1945, teams of trained engineers and administrators from the U.S. Bureau of Public Roads have been working side by side with the Philippine Bureau of Public Works in the gigantic task of rehabilitating the war-ravaged highway system in the

Philippines and extending it to serve the expanding needs of the country.

Approximately 52 million dollars (104 million pesos) have been spent in the construction or reconstruction of 263 bridges and 618 kilometers of highways. This work has put back in use all the highways existing before the war. In addition as a result of this program, many rich areas of the country are now receiving adequate highway service for the first time. As an example, the rich Cagayan Valley in north central Luzon will have all-weather highway connections with the rest of the island as bridges built with rehabilitation funds replace the seasonably inadequate ferries at several river crossings on Highway No. 5.

Almost 4 years of war and enemy occupation had left the highway system in a deplorable state. Bridges had been blasted and roadway surfaces were shell-pocked and broken from the heavy military traffic. Even more noticeable was the surface deterioration caused by 4 years of neglected maintenance. Largely as a result of work done by the U.S. Army after the liberation, most of the important routes of travel were opened during 1945. However, much of that work was of a temporary, makeshift nature and permanent reconstruction was necessary. The United States recognized that the prompt rehabilitation of the highways was beyond the physical and financial resources of the young Philippine Republic. They recognized, too, the essential role adequate highways play in the physical well-being of a nation. This was particularly true in the Philippines where the railroad system, inadequate at best, had suffered equal if not greater damage during the war and where the very life of the young Republic depended upon free and ready movements of goods and people over the highways.

In recognition of this need, as a gesture of good will and in a democratic effort to strengthen another government of free people in the postwar troubled world, the Congress of the United States by Public Law No. 370 (79th Cong., 2d sess.) allocated 40 million dollars to the planning, designing, and building of such roads, essential streets, and bridges as might be necessary for the national defense and the economic rehabilitation and development of the Philippines. The U.S. Public Roads Administration (now the U.S. Bureau of Public Roads) was assigned to carry out this work. The highway-reconstruction project was but one of several rehabilitation programs provided under that law. Those other programs, involving less extensive physical work, have all been successfully completed and the termination of the highway project brings to a close the United States' share of the rehabilitation work.

The work that is just finishing is a shining example of the cooperation that can be effected between two independent countries when they join forces in mutual trust and respect. While the

U.S. Government has supplied the larger part of the funds, the Philippine Government did contribute to the extent of their resources so that the work could be extended to all parts of the country. Approximately 12 million dollars (24 million pesos), or one dollar in every four, was provided by the local government out of their meager resources in addition to even larger sums expended for normal highway maintenance needs. All the work was done by Philippine contractors, with Philippine labor, working under the direction of the Philippine Bureau of Public Works. In the beginning the U.S. Bureau of Public Roads had to contribute heavily in technical direction and engineering. As the Bureau of Public Works rebuilt its organization, more and more of the technical and administrative work was given into its charge until now, as the program draws to a close, only a handful of American engineers remain.

The close of the rehabilitation program does not mean the end of highway construction. The phenomenal growth in motor vehicle registration and the awakening development of the country demand that the construction and expansion of the highway system continue. The aid provided by the United States has made up for the losses during the 4 years of war and occupation. The experience gained working alongside the American technicians has qualified the Bureau of Public Works to continue with the expansion and development necessary to maintain the Philippine highway system in its service to the nation.

## **Mr. Andrews To Visit Indonesia and Burma**

Press release 528 dated July 3

Stanley Andrews, Point Four Administrator, will leave Washington July 5 for Djakarta and Rangoon to plan the continuation under the Technical Cooperation Administration (TCA) of cooperative programs for economic development in Indonesia and Burma.

Mr. Andrews is scheduled to be in Djakarta July 10-14 for discussions with officials of the Indonesia Government and the U.S. economic mission and in Rangoon for discussions with U.S. and Burma Government officials July 15-19. He plans to return to the United States via the Pacific, stopping briefly in Tokyo and reaching San Francisco about July 23.

During fiscal year 1952, U.S. authorized economic aid to Burma amounted to 14 million dollars and to Indonesia to 8 million dollars. Both programs emphasized the development of agriculture, health, education, small industry, transportation, and public administration and were

similar in many respects to Point Four programs administered by TCA in other countries.

U.S. economic aid in Indonesia and Burma has been administered by the Mutual Security Agency (MSA). The transfer of administrative responsibility from MSA to TCA took place in accordance with the provision of the new legislation. Under the new Mutual Security Act (Public Law 400 of June 20, 1952) the Mutual Security Agency from now on will administer programs which directly support military preparedness and mutual defense, while the TCA will administer the long-term Point Four programs authorized by the Act for International Development.

## Point Four Programs

### *Afghanistan*

Press release 515 dated June 30

Help in overcoming effects of ravages during the twelfth and fourteenth centuries by Genghis Khan and Tamerlane on vital irrigation works in the Helmand Valley of southwest Afghanistan is among provisions of an allocation of \$348,740 of Point Four funds made June 30 for that country by the Technical Cooperation Administration (TCA) of the Department of State.

Afghanistan, with 12 million people, is a landlocked country, largely pastoral and agricultural, lying strategically between the U.S.S.R., Pakistan, and Iran.

The authorization includes \$93,446 to supply American technicians and some needed equipment to assist the Afghans in settling families on existing land and on an estimated 800,000 acres of newly arable areas expected to result from irrigation works financed by the Government of Afghanistan and a \$21 million loan from the U.S. Export-Import Bank. The TCA program also embraces educational and agricultural projects, including aerial spraying against the age-old desert locust menace. The TCA is cooperating with the United Nations in the technical assistance offered to Afghanistan and is preparing to pool efforts in a development plan in the Helmand Valley.

The seven U.S. experts in the valley will include a chief of the technical mission, land reclamation and settlement officers, an agronomist, and agricultural extension specialists, one with experience in forestry.

A system of dams and canals, with laterals and ditches, utilizing the Helmand and Arghand Ab Rivers, constitutes the irrigation project. The Arghand Ab Dam and a diversion dam have been completed, and the remaining structure across the Helmand River—the Kajaki Dam—is expected to be ready for water storage in 1953. An American engineering firm, Morrison-Knudsen of

Boise, Idaho, began large-scale construction work 6 years ago upon invitation of King Mohammed Zahir Shah, who used foreign exchange accumulated during World War II and the Export-Import Bank loan to finance the project.

Also included in the present authorization is \$69,519 for education, \$75,675 for 16 Afghan trainees in agriculture, coal mining, irrigation and education, and \$43,300 for locust control.

The Mongol conquests of Genghis Khan and Tamerlane swept from China as far as the Balkans before receding. Ruins of ancient cities and civilized amenities remain among the present day villages dotting the relatively narrow cultivated strip beyond which stretches the alluvial desert to be reclaimed by the development.

Wheat cultivation and sheep raising are the country's principal occupations, and its chief exports are karakul, fruit, nuts, and wool. Its industries now consist of two cotton textile and two woolen mills, a beet sugar refinery, a canning factory, and a few small power stations.

### *Lebanon*

Press release 511 dated June 30

The Governments of the United States and Lebanon have signed a program agreement outlining a broad scope of activities to be undertaken through the Point Four Program, the Department of State announced June 30. The U.S. contribution has been set at \$3,100,000.

The signing of this agreement brings the United States into a partnership for technical cooperation with another of the Middle Eastern nations. Under the agreement an extensive list of projects is scheduled with major emphasis on agriculture health and sanitation, and natural resources development. Other broad project categories include education and training grants, social affairs and transport and communications.

More than two-thirds of Lebanon's people live on farms, and agriculture forms the principal support of the country. The Point Four Program includes a number of agricultural projects, such as animal husbandry, irrigation, marketing, cooperatives, agronomy, and agricultural credit. All are closely related as components of a broad rural-improvement program with concentration on food production.

In the field of natural resources, projects will be carried on in village water development and salt-water fisheries. Work will also continue in surveys connected with the Litani River basin. The development of this 125-mile-long river valley is of prime importance in a country only 4,000 square miles in area with a population of over 1,200,000.

Health and sanitation programs are also of major importance in the new agreement. Primary projects are village health and medical services and the construction of a central public health

laboratory, considered to be the key to the nation's public health efforts.

The Point Four education programs are aimed at the establishment of primary and secondary schools and include teacher training as a basis for long-range progress in this important field.

In social affairs, a portion of the total program fund is being set aside for demonstration projects in housing, which will serve as a guide for proposed slum-clearance work.

Another major allotment is in the field of training, with grants established for the training of Lebanese nationals in the United States. These students must agree to spend a year in the public service of the government after completion of their courses. There are also courses set up at the American University of Beirut through an earlier Point Four grant which are open to qualified students from the other Arab states. They will form a nucleus of experts and teachers for the further spreading of technical knowledge.

The agreement was signed June 26 at Beirut.

### *Pakistan*

Press release 518 dated July 1

The Department of State on July 1 announced the details of a broad program of internal development in Pakistan to be undertaken with U.S. cooperation under the Point Four Program. An agreement outlining the specific projects to be carried out was signed June 30, providing for the expenditure of \$10,000,000 of U.S. funds.

The agreement was signed in New York by Jonathan Bingham, Deputy Administrator of the Technical Cooperation Administration, for the United States, and by Said Hasan, Joint Secretary, Ministry for Economic Affairs, who is in the United States attending sessions of UNESCO as a representative of his country, for Pakistan.

Matching funds in rupees, equivalent to a minimum of \$10,000,000, are to be provided by Pakistan for the projects.

The new agreement covers specific activities to be undertaken under the terms of the Point Four Program agreement signed by the two governments on February 2, 1952.<sup>1</sup>

One outstanding project, to which \$2,390,000 of U.S. funds will be devoted, consists of a rural agricultural-industrial development program covering improved methods of crop and livestock production, marketing and home management; health and education; village industries, notably handicrafts; and cooperative organizations in

marketing, purchasing, and rural credit. Some 600,000 persons in approximately 1,000 villages will be reached through this work in the first year of operation.

This is considered the beginning of a long-range village development program planned on such a simple scale that the provinces can carry forward the work after only a brief period of assistance from the Pakistan and U.S. Governments. Institutes for training the necessary village workers for this program are to be attached to four provincial agricultural colleges, with the United States furnishing some of the teachers and equipment.

A major provision is \$4,000,000 for a fertilizer plant at Mianwali, in the West Punjab, to produce 50,000 tons of ammonium sulphate annually toward meeting Pakistan's need for this aid to food production. In addition, 10,000 tons of fertilizer will be imported with Point Four funds, most of it to be sold to farmers for purposes of large-scale demonstration, which is expected to increase food grain production by about 20,000 tons this first year.

Another outstanding provision is \$1,100,000 toward a road demonstration and transportation project in East Pakistan where floods of the Ganges and Brahmaputra Rivers and their tributaries have cut off farmers from markets for extended periods.

Health measures include making available DDT for use in preventing disease among some 5,000,000 refugees in Pakistani communities, a field in which U.N. health personnel are actively training local technicians.

TCA administrator Stanley Andrews pointed out that:

In its 4½ years of independence, Pakistan, with 80 millions of people, has made remarkable progress. It has a stable government which is progressive and determined to improve the income and living standards of the people. It has a 6-year program of economic and social betterment comprising more than 100 projects. Many of these are being financed and carried out entirely by Pakistan. For fiscal year 1951-52 alone, \$175,000,000 in rupees is being supplied by the National Government and \$150,000,000 in rupees by the Provincial Government. External aid is also being supplied by U.N. organizations, the Ford Foundation, and the Colombo Plan.

There are now 60 Pakistanis training in the United States under earlier Point Four grants. The number will be increased to 200 by the new agreement. The over-all intent of the training program is to provide local experts to continue activity uninterrupted in future years.

<sup>1</sup> BULLETIN of Feb. 25, 1952, p. 296.

## Europe's Voluntary Unity

by *Perle Mesta*

Minister to Luxembourg<sup>1</sup>

There never was a time when international questions so demanded the attention of all people. It is no longer a question of "let Washington worry." We have *all* got to worry. And we have plenty to worry about.

I am, by nature, an optimist. But there is no blinking the facts. We, the free peoples, either win through this present crisis or freedom itself goes down. If we lose that, we lose everything. I doubt if very many of us present here this evening would see the day when we would be free again.

That sounds very discouraging. I am not, however, discouraged. For I do believe we will win. Almost day by day, I seem to see the scales tipping in our favor.

Luxembourg has been called the cross road of Europe. It is, indeed, about as good a place as one could find to get the pulse of Europe.

I have seen and talked to many of Europe's leading statesmen. I have talked to professional and business people—to workers and to farmers.

I find the attitude of these people amazing.

These people have just come through the greatest and most destructive war in all history. They live today almost in the shadow of the Hammer and the Sickle.

The threat under which we all live is very near to them. It is an ever-present danger.

And yet these people have their heads up. They have performed miracles of faith and courage.

When I try to be specific, I find it difficult to pick out just one development to mention first. All are important.

Take, for example, the agreements signed recently at Bonn and Paris.

As Secretary Acheson said of them:

"These agreements touch the lives of everyone of us. They represent the birth of a new Germany, a new Europe, and a new period in history."

Briefly, these agreements do three things. They end the Occupation of Germany. They create a new European Defense Community in which Germany will be a part. They extend the mutual guaranties of help against armed attack among all the members of this new European Defense Community and all the NATO nations.

This is what this means. Just a few years ago these nations were at war. That war left death

and destruction in its wake unprecedented in history.

Traditionally, the heritage of war is hatred. The Europeans have known such hatred over the centuries. Today, they turn their backs upon it. They have chosen rather to build peace and to make their friendship the basis of that peace.

This same spirit gave birth to the Schuman Plan, only last week finally ratified by the parliaments of all the nations involved. Here is a plan not only for peace, but peace with prosperity—prosperity for all.

I would like to talk, if I had time, of NATO. Much of NATO's success, unquestionably, is due to General Eisenhower's magnificent efforts. But General Eisenhower would have been powerless if the spirit to cooperate had not been there.

Generations of statesmen and thinkers have advocated what has been accomplished in Europe these past few years. Dante is the first name that comes to my mind. He probably wasn't the first, however, and there have been a host of others.

There have been attempts to bring about such unity by force among the European peoples. We need think only of Hitler's "new order" for Europe. Happily this did not succeed.

On the other hand, you and I have lived to see a great idea—a voluntary European unity—being put into effect. We are seeing it *work*.

It would be highly egotistical for me to claim, as an American, that the United States was responsible for all of this miracle. We were not. The credit belongs to those wise and farsighted European statesmen who have put humanity before nationalistic prejudice. It belongs to them and the millions and millions of Europeans, just the plain people, who have backed these men.

Our foreign policy, however, *has* helped. Wherever and whenever it was possible, we have backed the European leaders to the limit. We did not create, but we have fostered.

That is something, I think, in which we *all*—all Americans—can take pride. For *we* have backed our Government. We have backed it not only financially but with our moral support.

I said I was an optimist. Looking back over the last few decades, I see many reasons for being just that. It isn't that mankind has changed, but his *thinking* most certainly has.

Certainly, we still have a long way to go. There are many and great injustices still existing in not only the world but in our own country. But we have shown amazing capacity for progress. And I, personally, see no reason why this progress should not continue.

Again, I am not unaware of the great dangers threatening us. But we *are* meeting them. And we are meeting them together. We are meeting them with faith in each other and courage in our hearts. Backed by that faith and courage, if we stay together, I have no doubt of the outcome.

<sup>1</sup>Excerpts from an address made before the International Federation of Business and Professional Women, New York, on June 26 and released to the press on the same date.

## Preliminary Step Taken Toward Construction of St. Lawrence Seaway by Canada

### U.S., CANADA SUBMIT APPLICATION TO JOINT COMMISSION FOR APPROVAL OF POWER DEVELOPMENT

Press release 506 dated June 30

The Department of State announced on June 30 that an application has been submitted by the U.S. Government to the International Joint Commission for an order of approval of the construction of works for power development in the International Rapids Section, of the St. Lawrence River. The Canadian Government has also submitted a concurrent application in Ottawa.

Agreement was reached on the final details of the applications by the two Governments at a meeting in Washington on June 30 between Acting Secretary Bruce and the Canadian Minister of Transport, Lionel Chevrier. At the meeting in Washington, Mr. Bruce and the Canadian Ambassador, H. H. Wrong, exchanged notes in which the Ambassador reiterated the intention of the Canadian Government to construct a deep-sea waterway from Montreal to Lake Erie when arrangements have been completed for power development.<sup>1</sup> The seaway, to be built on the Canadian side of the international boundary, will be constructed as nearly as possible concurrently with the power development.

Texts of the Canadian and U. S. notes of June 30 follow.

#### Canadian Note

SIR,  
I have the honour to refer to our exchange of notes of January 11, 1952, relating to the St. Lawrence Seaway and Power Project. In my note to you, I informed you that the Canadian Government is prepared to proceed with the construction

<sup>1</sup> At a meeting in Washington on Sept. 8, 1951, Prime Minister Louis St. Laurent of Canada informed President Truman of Canada's willingness to construct the seaway as a Canadian project and to make arrangements with the appropriate U.S. authority for the required power development. The President expressed his preference for joint United States-Canadian action on the seaway but said he would support Canadian action if an early commencement on the joint development does not prove possible. See BULLETIN of Oct. 8, 1951, p. 581.

of the seaway as soon as appropriate arrangements can be made for the construction of the power base of the project as well.

I have been instructed by my Government to inform you that, when all arrangements have been made to ensure the completion of the power phase of the St. Lawrence project, the Canadian Government will construct locks and canals on the Canadian side of the International Boundary to provide for deep-water navigation to the standard specified in the proposed agreement between Canada and the United States for the development of navigation and power in the Great Lakes-St. Lawrence Basin, signed March 19, 1941, and in accordance with the specifications of the Joint Board of Engineers, dated November 16, 1926, and that such deep-water navigation shall be provided as nearly as possible concurrently with the completion of the power phase of the St. Lawrence project.

The undertaking of the Government of Canada with respect to these deep-water navigation facilities is based on the assumption that it will not be possible in the immediate future to obtain Congressional approval of the Great Lakes-St. Lawrence Basin Agreement of 1941. As it has been determined that power can be developed economically, without the seaway, in the International Rapids Section of the St. Lawrence River and as there has been clear evidence that entities in both Canada and the United States are prepared to develop power on such a basis, the Canadian Government has, with Parliamentary approval, committed itself to provide and maintain whatever additional works may be required to allow uninterrupted 27-foot navigation between Lake Erie and the Port of Montreal, subject to satisfactory arrangements being made to ensure the development of power.

Canada's undertaking to provide the seaway is predicated on the construction and maintenance by suitable entities in Canada and the United States of a sound power project in the International Rapids Section. The features of such a power project are described in section 8 of the

applications to be submitted to the International Joint Commission by the Governments of Canada and of the United States. They are also described in the Agreement of December 3, 1951, between the Government of Canada and the Government of Ontario, forming part of the International Rapids Power Development Act, Chapter 13 of the Statutes of Canada, 1951, (Second Session), a copy of which is attached hereto. The Canadian Government wishes to make it clear that, even were the seaway not to be constructed, Canada would not give its approval to any power development scheme in the International Rapids Section of the St. Lawrence River which omitted any of the features so described.

However, in order to ensure that construction of both the power project and the deep waterway may be commenced without any further delay and notwithstanding—

(a) that the power-developing entities would be required, if power were to be developed alone, to provide for continuance of 14-foot navigation (such provision was indeed made in the 1948 applications by the Province of Ontario and the State of New York), and that the Canadian Government's commitment to provide concurrently a deep waterway between Lake Erie and the Port of Montreal does not alter the basic principle that any entity developing power in boundary waters must make adequate provision for the maintenance of existing navigation facilities, and

(b) that, in view of the clear priority given to navigation over power by Article VIII of the 1909 Boundary Waters Treaty, provision of channeling to the extent specified in the Annex to the 1951 Canada-Ontario Agreement referred to above is reasonable and in conformity with Canadian practice,

the Canadian Government is now prepared to agree—

(a) that the amount to be paid to Canada, as specified in the Agreement of December 3, 1951, between Canada and Ontario, in lieu of the construction by the power-developing entities of facilities required for the continuance of 14-foot navigation, be excluded from the total cost of the power project to be divided between the Canadian and United States power-developing entities, in consideration of the fact that actual replacement of 14-foot navigation facilities will be rendered unnecessary by reason of the concurrent construction of the deep waterway in Canada, and

(b) that the Authority to be established pursuant to the provisions of the St. Lawrence Seaway Authority Act, Chapter 24 of the Statutes of Canada, 1951 (Second Session), contribute \$15 million towards the cost of the channel enlargement which the power-developing entities must undertake in the St. Lawrence River, as set

out in paragraph 4 of the Annex of the Canada-Ontario Agreement of December 3, 1951, and in section 8 of the applications to the International Joint Commission, in consideration of the benefits which will accrue to navigation from such channel enlargement.

I understand that your Government approves the arrangements outlined in this note and that it is further agreed, subject to the modifications outlined in the preceding paragraph, that the Government of Canada and the Government of the United States will request the International Joint Commission to allocate equally between the two power-developing entities the cost of all the features described in Section 8 of the applications to the International Joint Commission and in the Agreement of December 3, 1951, between Canada and Ontario.

Accept [etc.]

HUME WRONG

#### United States Note

##### EXCELLENCY:

I have the honor to acknowledge the receipt of your note of June 30, 1952, in which you inform me that your Government, when all arrangements have been made to ensure the completion of the power phase of the St. Lawrence project, will construct locks and canals on the Canadian side of the International Boundary to provide deep-water navigation to the standard specified in the proposed agreement between the United States and Canada for the development of navigation and power in the Great Lakes-St. Lawrence Basin, signed March 19, 1941, and in accordance with the specifications of the Joint Board of Engineers, dated November 16, 1926, and that such deep-water navigation shall be provided as nearly as possible concurrently with the completion of the power phase of the St. Lawrence project.

My Government approves the arrangements set forth in your note and, subject to the modifications there proposed and outlined below, agrees to request the International Joint Commission to allocate equally between the power-developing entities the cost of all the features described in Section 8 of the applications to the International Joint Commission and in the Agreement of December 9, 1951, between the Governments of Canada and Ontario.

These modifications are:

(a) the amount to be paid to Canada, as specified by the Agreement of December 3, 1951, between Canada and Ontario, in lieu of the construction by the power-developing entities of facilities required for the continuance of 14-foot navigation, be excluded from the total cost of the power project to be divided between the Canadian and United States power-developing entities, in consideration of the fact that actual replacement



of 14-foot navigation facilities will be rendered unnecessary by reason of the concurrent construction of the deep waterway in Canada, and

(b) that the Authority to be established pursuant to the provisions of the St. Lawrence Seaway Authority Act, chapter 24 of the Statutes of Canada, 1951 (Second Session), contribute \$15 million toward the cost of channel enlargement which the power developing entities must undertake in the St. Lawrence River, as set out in Section 8 of the applications to the International Joint Commission and in paragraph 4 of the Annex to the Canadian-Ontario Agreement of December 3, 1951, in consideration of the benefits which will accrue to navigation from such channel enlargement.

Accept [etc.].

DAVID BRUCE

## U.S., Canada Refer Lake Ontario Complaints to Joint Commission

The Department of State announced on June 25 that the United States and Canada had agreed upon terms of a reference which was forwarded on that date to the International Joint Commission—United States and Canada—relating to the high level of water in Lake Ontario.

Residents along the shores of Lake Ontario have complained regarding serious damage to their property as a result of the unprecedented high level of water in Lake Ontario.<sup>1</sup> Some of the complainants considered that the high level was caused to a considerable extent by the Gut Dam constructed in the St. Lawrence River by the Canadian Government in 1903-04 and by the diversion of the waters of the Long Lac and Ogoki Rivers from Hudson Bay into Lake Superior. The diversion of waters of Lake Michigan through the Sanitary Drainage Canal at Chicago was also an element which was considered of importance in regard to the present situation.

In order that all possible methods of remedying this unfortunate situation might be considered and all possible measures taken to provide relief, the United States requested, and Canada has agreed, to have this matter referred to the Commission in accordance with the provisions of article IX of the treaty signed on January 11, 1909, relating to boundary waters.

<sup>1</sup> BULLETIN of June 9, 1952, p. 905.

## Supplementary Extradition Convention With Canada

Press release 508 dated June 30

The Department of State has been informed that the Canadian Parliament has approved a Supplementary Extradition Convention with the United States which covers securities frauds.<sup>1</sup> The U.S. Senate has already given its consent to ratification. The convention was signed at Ottawa on October 26, 1951, and amends the Extradition Convention of December 13, 1900.

For some years governmental authorities in both countries have been concerned over the activities of a small group of stock promoters in Canada who have carried out securities frauds involving millions of dollars annually through sales in the United States. Existing extradition arrangements proved unsatisfactory to cope with the techniques of these brokers who operated through mass mail campaigns and extensive telephone solicitation.

The Supplementary Convention redefines the list of offenses for which extradition can be had and adds the crime of mail fraud for the first time.

The new convention will go into effect when instruments of ratification are exchanged.

## Senate Ratifies German Treaty and NATO Protocol

*Press Conference Statement by Acting Secretary Bruce*

Press release 525 dated July 2

*In response to a request for comment on Senatorial consent to ratification of the German Contractual Agreements and the NATO Protocol,<sup>2</sup> Acting Secretary Bruce made the following extemporaneous statement at his press conference on July 2:*

I think the action of the Senate was simply magnificent, and with a very encouraging majority. I think it will be very heartening indeed to the foreign countries which later on have to consider the ratification of the treaty and the protocol. I think we have set an extremely good example.

<sup>1</sup> BULLETIN of Dec. 3, 1951, p. 908.

<sup>2</sup> The Senate on July 1 ratified the German Contractual Agreements by a vote of 77 to 5 and on the same date ratified the NATO Protocol by a vote of 71 to 5. For text of the latter document and for summaries of the German agreements, see BULLETIN of June 9, 1952, p. 888 and p. 896.

### Increasing the Safety of the World's Shipping

#### THE SIXTH INTERNATIONAL HYDROGRAPHIC CONFERENCE

by *Commander Leonard S. Hubbard*

*U.S. Coast and Geodetic Survey, Department of Commerce*

The International Hydrographic Conference met at Monte Carlo, Monaco, for its sixth quinquennial session from April 29 to May 9, 1952. Delegates from 24 of the 28 member states<sup>1</sup> convened at the permanent headquarters of the International Hydrographic Bureau (IHB) to resolve administrative and technical problems relating to the activities of the Bureau and to review its achievements and program. The United States was represented by two delegates, Capt. Earl O. Heaton, Coast and Geodetic Survey, Department of Commerce, and Capt. George F. Kennedy, U.S.N.R., Navy Hydrographic Office, Department of Defense, and by three technical advisers, H. R. Edmondson of the Coast and Geodetic Survey, and Guillermo Medina and William G. Watt, both of the Navy Hydrographic Office.

At its opening session, the Conference divided itself into working committees on charts, tides, nautical documents, revision of resolutions, work of the Bureau, statutes, eligibility of candidates, and finance. These eight committees, one of which was headed by a U.S. delegate and two of which had a U.S. delegate as vice chairman, considered technical proposals and problems submitted by the member states and by the IHB directing committee, and also made appropriate recommenda-

tions to the Conference in plenary session. The U.S. delegation believes that most of the technical proposals adopted are consistent with established policies and procedures of the United States.<sup>2</sup>

In 1939, at the invitation of the British Admiralty, the principal maritime states sent delegates to a conference of hydrographers at London. This conference, in which the United States participated, recognizing that maritime nations have a community interest in the compilation of accurate and standardized information on the coasts and coastal waters of the world and in the free exchange of this information, decided to establish an international bureau of hydrography to function on a permanent basis, through elected directors and a secretary general together with a technical and administrative staff, all financed by the maritime member states. The Principality of Monaco donated the headquarters building and provided utility services. The United States, an active member since 1921, was instrumental in keeping the Bureau intact during World War II. Full activity was resumed after the war, and the Fifth International Hydrographic Conference was held in 1947 at Monte Carlo.

The Bureau coordinates and encourages standardization on an international basis of the efforts of the national hydrographic offices and promotes the facility and safety of navigation in all the seas of the world. It provides a medium for free exchange of basic information in the form of

<sup>1</sup> Argentina, Brazil, Canada, Chile, Cuba, Denmark, Egypt, France, Germany, Greece, Indonesia, Italy, Japan, Monaco, the Netherlands, Norway, Portugal, Spain, Sweden, Thailand, the United States, Uruguay, and Yugoslavia; the 24th member represented consists of Great Britain, Australia, and New Zealand, operating as a unit. Four members, China, Poland, Turkey, and the Union of South Africa were not represented. Belgium and Iceland sent observers.

<sup>2</sup> Details of the work of the various committees and verbatim reports of the plenary sessions will be printed in the "Report of the Proceedings of the Sixth International Hydrographic Conference" and distributed to member states by the International Hydrographic Bureau.

hydrographic surveys and up-to-date charts, as well as of comprehensive descriptions of coasts, ports, and navigation aids and of improved survey methods and navigational techniques as developed by national interest.

Millions of nautical charts are printed in Washington every year. The U.S. Coast and Geodetic Survey, Department of Commerce, prepares and issues charts and related publications on the coastal waters of the United States and its possessions (Alaska, the Hawaiian Islands, Puerto Rico, and the Virgin Islands). The U.S. Navy Hydrographic Office, Department of Defense, prepares and issues charts and publications on all of the other coastal waters and oceans of the world. United States participation in the work of the International Hydrographic Bureau is principally through the services of these two offices.

Nautical charts are used by the fighting ships of the Navy and by vessels of the Merchant Marine plying domestic and foreign waters. The Navy protects the national welfare and our foreign commerce; the merchant fleet transports a large part of our foreign commerce, the annual total value of which exceeds 12 billion dollars in exports and 3 billion dollars in imports. The yachting fleet of this country, consisting of approximately 450,000 yachts and small craft, also demands a great number of charts each year. Moreover, some 14,000 fishing craft use charts to aid in locating fishing banks.

### Importance of Nautical Charts

Nautical charts are the navigator's road maps, but they are far more vital to him than road maps are to an automobile tourist. No visible signposts mark the sea lanes. Charts show what is under the water—the deeps and shoals, the submerged hills and valleys under the sea. Charts also portray the shoreline, the bays and headlands, lighthouses, and other aids to the navigator. On a large modern vessel worth millions of dollars and moving at high speed, the navigator must know at all times exactly where his vessel is and where he must guide it to reach his destination in the least possible time, consistent with safety.

The navigator on such a ship has certain electronic devices at his disposal to aid him in knowing his position and the depth of water under his ship. In coastal waters, he looks at a radar screen, which is somewhat like a television screen, and sees a picture of the coastline and other above-water objects. He can also quickly determine the distance and direction of any object seen on the screen. In offshore waters, the navigator can manipulate the dials of another electronic device, called loran, to find his distances from shore control-stations. A glance at a flashing light or at a trace on a graph of a third electronic instrument, called an echo-sounder, shows the depth of water under his vessel. Having found the dis-

tances from points on shore and the depths under the vessel from these electronic instruments, the navigator can spot his position on a chart.

A modern chart is designed to utilize the information furnished by radar, loran, and echo-sounders to best advantage. It shows the shapes of coastal areas with shaded contouring, each successively darker shade simulating the image seen on the radar screen at successively greater distances offshore. A lattice-like grid of fine lines over the chart, representing the loran-station readings, aids the navigator in plotting his position. Depth curves of the ocean bottom, like the contour lines of a land map, show the navigator where he must be to match the depths he reads on his echo-sounder. Such is a modern chart, but before it can be printed an enormous amount of information must be obtained, both of the land areas and of the sea areas.

### Surveying Water Areas

Land-surveys furnish the basis and the tie-in points for the surveys of the water areas. Most of us have seen land-surveyors at work, measuring distances and angles with tapes and transit-like instruments and photographing land areas from the air. We are not, however, so familiar with the operations which produce surveys of the water areas, called hydrography. Hydrography measures the depths and locates the positions of the depths. It finds out "how deep" and "where," so that all features of the bottom and the adjacent shores may be delineated on the charts. These operations must naturally be performed by or from vessels.

The United States maintains 13 survey vessels, each with from 60 to 400 men aboard. A typical survey vessel, which is between 150 and 420 feet long, has on her boat deck four to six launches, and in addition whaleboats, dinghies, and skiffs. During the recent conference, survey vessels of England and France and the U.S. Hydrographic Survey Group One, consisting of the U.S.S. *Maury*, the U.S.S. *Stallion*, and the U.S.S. *Allegheny*, called at the port of Monte Carlo and gave the delegates an opportunity to observe techniques and inspect equipment employed by different nations. Great interest was displayed in the exhibition provided by the helicopter attached to the U.S.S. *Maury* which demonstrated lowering supplies from the air and hovering. The president of the Conference, on behalf of its members, expressed appreciation to the United States for making its survey vessels available for inspection by the conference representatives.

When a survey vessel arrives in a new region to be charted, one of its first tasks is to establish ground or shore control and to map the shoreline. Working parties ashore construct beacon-like signals along the shoreline—conspicuous signals that men on the launches and the vessel can see when

they are measuring the depths under the water. Other working parties establish electronic control-stations and erect radio masts that are used to control the positions of the vessel and the launches when the beacon-like signals cannot be seen. Finally, survey parties determine the location of the beacon signals and the radio masts, and tie-in points on the ground that show on aerial photographs, so that the shoreline can be mapped in its true position from the photographs.

With the shore control established and plotted on work sheets, the survey vessel and the launches start actual hydrographic surveying. Vessel and launches track back and forth across the water areas in straight lines, each line parallel to the preceding, as a farmer plows a field. As the vessel and the launches travel along the sounding lines, electronically controlled echo-depth sounders trace a continuous profile on a roll of graph paper of the ups and downs of the sea bottom passed over. While sounding, the hydrographers keep track of and guide the path of the vessel and immediately plot the measured points on work sheets, called the hydrographic sheets, which become filled with row after row of depth figures.

When the signals on shore cannot be seen, electronic instruments are used to determine the position of the sounding craft. One of the most useful of these is shoran, a special type of radar which measures the distance to two shore receiving stations. With shoran controlling, the navigator knows his exact position at all times, and soundings can be taken both day and night in foggy, rainy, or clear weather.

Since the surface of the sea rises and falls with the tide, the height of the tide must be known continuously in order to correct the depth readings to the plane of low water. Automatic, clock-run instruments are set up near the shore to record a continuous graph curve of the rise and fall of the tide. During the hydrographic operations, observers also measure the deviation of a compass needle from true north. This deviation will be shown on the compass rose printed on the nautical charts.

### Preparing the Chart

When the field work is completed, the hydrographic sheets and the accompanying records are shipped to Washington, where cartographers reduce and condense the scale and carefully select those soundings which will best picture the sea bottom to the mariner. Depth-curves or bathymetric lines, similar to the contour lines on a land map, are drawn. From the topographic data on hand, the cartographers also prepare a draft of the land areas, emphasizing those that best serve the mariner's needs and eliminating others. The final chart original is then prepared. Some hydrographic services still utilize the classical method of engraving on copper; some engrave

on glass; others draft their charts in their entirety or utilize a combination of drafting and engraving.

Nautical charts vary greatly in the amount of area covered and in the amount of detail shown. Harbor charts may show only one harbor, but this in great detail, including piers, objects on shore, bottom contouring, channels, and buoys. Coast charts, with smaller scales, cover great stretches of the coastline and the bordering ocean bottom and, although much detail of the ocean bottom is shown, only such shore objects are charted as can be seen from a distance off shore. General charts and sailing charts cover greater areas in much less detail and are for the use of vessels traveling far at sea.

In addition to nautical charts, the hydrographic services of the maritime nations must publish much supplemental information, such as tide tables, lists of navigational lights, sailing directions, electronic aids, and dangers to navigation, all designed to promote safety at sea. In the interest of the mariner and of the offices preparing such information, it is essential that such details be prepared as uniformly as possible.

The only way to obtain all this information on the coasts and coastal waters of foreign countries is by freely exchanging such information of our own coasts for similar information from other countries. The International Hydrographic Bureau contributes much to the safety of vessels plying the shipping lanes of the world by encouraging the free exchange of accurate and up-to-date information and the standardization of the efforts of the national hydrographic offices.

## U.S. Presents Evidence of Forced Labor in U.S.S.R.

*Following is the text of a statement made public on June 30 on behalf of the Department of State by Walter M. Kotsechnig, Deputy U. S. Representative in the U.N. Economic and Social Council. The statement, entitled "Evidence of the Existence of Forced Labor in the U.S.S.R." was forwarded, with appendixes listed, to the U.N. Ad Hoc Committee on Forced Labor by the U.S. Mission to the U.N.*

U.S./U.N. press release dated June 26

The appendixes to this document contain abundant material, legal and factual, on forced labor in the U.S.S.R. Most of it is recent and heretofore unpublished. It refers to forced labor in a narrow sense of the concept, namely to compulsory work performed by the inmates of prisons, "labor-colonies," and "corrective labor camps" (the Soviet terms for concentration camps) in or near their place of detention.

Department of State Bulletin

A careful study of the appendixes shows these features of Soviet forced labor:

1. It has been continuous throughout the existence of the Soviet regime. It may be recalled that the first concentration camps were organized a few months after the Bolshevik Revolution; since then they have grown into a vast institution. One-third of a century after its inception the Government of the U.S.S.R. still relies on forced labor and concentration camps.

2. The number of prisoners is a Soviet state secret. Scholarly computations made by Western experts run into many millions. Even the most conservative calculations are far above what should be the prison population of the U.S.S.R. If the per capita figures of countries outside the Communist pale or even of Tsarist Russia were used as a yardstick.

3. Common criminals are a small minority among the forced laborers, and the camp administration allows them to dominate or even terrorize the other prisoners. These other prisoners are (a) political offenders, (b) people apprehended not because of any offense but because they were suspected of a lack of sympathy with the regime such as relatives of political offenders, "bourgeois," or "kulaks" and their families), and (c) people who committed minor offenses or derelictions (infractions of factory discipline, petty lack market operation, etc.) which in any humane society would call for disciplinary measures or a fine or, at most, a few days in prison.

4. Forced labor in the U.S.S.R. is a punishment applied either in judicial proceedings based on Soviet criminal law (with its vaguely defined counter-revolutionary crimes") or under administrative procedure. Victims of administrative incarceration have no court trial at all because they are not necessarily charged with commission of any illegal act.

5. While in Soviet theory penal institutions have the purpose to reeducate their inmates, in reality they are places of brutal punishment characterized by an arbitrary camp regime, overwork, inhumane quarters, a hunger diet, insufficient clothing, and lack of medical care. These conditions have continued through the decades.

6. Forced labor is a significant feature of the Soviet economy. This is clearly revealed by the Soviet Economic Plan for 1941.

7. It may be assumed that in general forced labor has been used, because the Government had in its hands large numbers of "undesirable" elements on whom it wished to inflict punishment, whom it wanted to "liquidate," but whom it could exploit in the meantime for some economic purpose. Even so, the presumption need not be ruled out that in practice—if not in principle—people have been arrested because of the demand for forced labor. The vast police empire must have a natural inclination to maintain and even expand its activities. Its leaders are probably eager to

lay their hands on interesting projects and the next step is to round up or retain the necessary number of prisoners. There are enough laws and decrees and their provisions are flexible enough to increase the number of forced laborers simply by insisting on a more severe and comprehensive enforcement policy. In such a case, minor infractions which might otherwise have gone unnoticed will lead to long forced labor terms, and unscrupulous agents of the judicial and police systems might even frame innocent people in order to curry favor in the eyes of their superiors. The dangerous combination of judicial and police power with "big business" in one single administration—the MVD/MGB—is one of the reasons for the magnitude of the Soviet forced labor system.

8. Though the materials in the appendixes are limited to the U.S.S.R., it should be noted that forced labor as an establishment of great economic importance has followed the Soviet flag. It is well known that the countries in the Soviet sphere of influence are being patterned after the Soviet model and that the Soviet forced labor system is one of the institutions which has been copied.

A brief description of the appendixes follows:

Appendix A contains Soviet laws and regulations pertaining to forced labor. Items 1 to 3 are the Statute on Corrective Labor Camps of 1930, the Corrective Labor Codes of the RSFSR of 1933, and the Law on the Special Conference of the NKVD of 1934. These three laws and decrees—which seem to be still in force—probably do not represent the entire legislation of the early 1930's on this subject. The additional decrees from this period as well as the entire body of rules and regulations issued since then have been hidden from the Soviet peoples and the world at large. Items 4 and 5 are authentic Soviet documents which found their way to countries outside the Soviet realm. The Regulations for the Supply of the Ukhta-Pechora NKVD Corrective Labor Camp, issued in May 1937, establish a starvation diet for the prisoners and tie rations to output. Thus a weakened prisoner is drawn into a vicious circle of declining work fulfillment and steadily reduced nourishment. It is these regulations which fix higher rations for guard dogs than for men. The 1941 plan, classified by the Soviet authorities to prevent disclosure, presents official data on the contribution of forced labor to economic activities planned for that year and reveals the enormous scope of police enterprises. The economic meaning is analyzed in Item 6.

Appendix B contains official Soviet administrative documents pertaining to forced labor as well as other Soviet admissions of forced labor in the U.S.S.R. Item 1 is a document concerning a Latvian who in 1942 had been sentenced by Special Conference to 5 years of exile. The Special Conference (*Osoboje Soveshchaniye*) is the administrative body within the police agency which is authorized to punish people without judicial trial.

It existed as early as 1930 (*U.S.S.R. Laws*, 1930, 22:248) and even earlier under a different name, but it still functions today. The act of 1934 establishing the NKVD included an article (No. 8) giving the conference the right "to apply in an administrative procedure banishment from certain localities, exile, confinement in corrective labor camps up to five years and banishment from the U.S.S.R." (*U.S.S.R. Laws*, 1934, 36:283.) This decree was supplemented by one of November 5, 1934 (*U.S.S.R. Laws*, 1935, 11:84; see appendix A-1) defining the composition of the Special Conference and the punishments it can impose on persons classified as "socially dangerous."

Item 2 is the translation of a statement on forced labor made on March 8, 1931, by V. M. Molotov, at that time Chairman of the Council of Peoples Commissars. "The labor of prisoners," Molotov declared, "is being used by us in certain municipal and road operations. We have done this in the past, we are doing it now, and we shall do it in the future. It is in the interests of society." Item 3 is the photo copy of a Soviet poster advertising in London a book on the White Sea Canal and its construction by forced labor in 1931-33.

Appendix C is devoted to hitherto unpublished materials from the so-called Anders Collection. In the years 1939-41 the Soviet authorities imprisoned large numbers of Polish citizens, civilians as well as military personnel, from the parts of Poland occupied by the Red army. On July 30, 1941, the Polish Government-in-Exile and the Soviet Government agreed upon a release of those prisoners, and subsequently ten thousand of them joined the Polish Armed Forces fighting in the Mediterranean theater of war under General Wladyslav Anders. Written depositions of their prison experience in the U.S.S.R. together with official Soviet documents sentencing or releasing Polish prisoners form the Anders Collection. It is now kept in the custody of the Hoover Institute and Library on War, Revolution and Peace, Stanford University, Palo Alto, Calif.

Appendix C contains (1) a memorandum on Soviet forced labor based on 18,304 statements and short reports from the Anders Collection, (2) a list and brief description of forced labor camps mentioned in the Anders Collection, (3) a list of ships used to transport prisoners, and (4) photo copies and translations of a number of typical depositions from the collection.

Appendix D, item 1, consists of selected official Soviet documents, dealing with mass arrests and deportations to forced labor and exile of Balts during 1941. These police documents include long lists of people to be deported as enemies of the Soviet state and, in some cases, the number of those removed and their destination. Few were

able to escape. Among them were Dr. Michael Devenis, an American citizen who at the time of the first Soviet invasion resided in Lithuania, and the Rev. Julius Juhkental, who in the same period was a pastor in Tallinn, Estonia. Items 2 and 3 of appendix D are sworn depositions about their experiences in Soviet imprisonment.

Of the many Soviet citizens who were victims of the forced labor system, few have had an opportunity to escape to the West. Appendix E consists of depositions made by four Soviet citizens who spent some time in concentration camps either before or after the war.

Appendix F contains the most recent eyewitness stories of forced labor conditions in the U.S.S.R. They were obtained from German prisoners-of-war who returned to their country in 1950 under the so-called Stalin amnesty. Many of them had been sentenced to forced labor in regular Soviet concentration camps for alleged or actual violations of Soviet laws, e. g., for the pilfering of food in the prisoner-of-war camps. A number of these interviews are in the form of affidavits (German original and translations); others are translations of interviews. The latter had to be masked in order to protect the sources.

Japanese prisoners of war have been used as forced laborers in the U.S.S.R. and, at the same time, were able to observe Soviet convicts at work. Appendix G consists of 10 affidavits sworn to before the American consular officer in Tokyo by Japanese who had to work in the Soviet crab-meat industry. The first of the affidavits is reproduced in its entirety. The remaining include only the actual statements of the affiants.

Appendix H consists of a number of affidavits obtained from former inmates of Soviet forced labor camps, sworn to by ethnic Germans from several countries (Czechoslovakia, Hungary, Rumania, Yugoslavia) who were arrested by the Soviet authorities as the occupation progressed during the last stages of the Second World War. These people are now in the United States in accordance with the Displaced Persons Act and have freely related of their experiences in forced labor camps in the U.S.S.R. Only in cases where it has been requested, is the detailed information of names, places, and dates masked.

Finally, appendix I analyzes the part of forced labor in the Soviet economy, its important contributions to total output, and its doubtful productivity.

#### **The U.S. in the U.N.**

A weekly feature, does not appear in this issue.

## U.S. Position on Proposed International Development Fund

Statement by Isador Lubin

U.S. Representative in ECOSOC<sup>1</sup>

I shall not take the time of the Council today to repeat in detail the position of the United States in respect to the proposed international fund for providing grants-in-aid and low-interest, long-term loans for nonbankable projects in the less industrially developed countries. The matter before the Council is a technical matter, a matter of constructing a detailed plan in response to a General Assembly resolution. It does not involve basic policy decisions on the desirability or feasibility of creating a grant fund.

The Government of the United States has consistently and strongly opposed the establishment of international machinery for making grants and long-term, low-interest loans. Our fundamental position on this question of whether an international fund should be created for these purposes was stated fully at the sixth session of the General Assembly by the U.S. representative in Committee II.<sup>2</sup> Briefly, he said:

... It is the view of my Government that it would be either practicable nor feasible to establish an international agency for the purpose of distributing grants. . . . No new organization will be a truly international institution unless a sufficient number of countries is prepared to make effective and significant contributions to its operations. It would seem extremely unlikely that countries, which in the past have been capital-exporting countries, would now be in a position to export additional capital in any large volume. . . .

Unless member countries are in a position to make contributions to the fund which is contemplated by this resolution, the United Nations cannot possibly give life to the blueprints and to the principles of action which his resolution calls upon the Economic and Social Council to elaborate. Unless such contributions are forthcoming, the fund which this resolution speaks of will remain merely a piece of paper.

I would be less than frank if I did not at this early stage of my statement make it obvious that these remain the views of the U.S. Government.

Our opposition is based on the grounds that the time is not opportune. In addition, the Government has reservations, in principle, to the provision of grant aid by an international agency.

In reaffirming the position of the United States on this matter, I trust I have made it unmistakably clear that it is the proposed *machinery* to which we are opposed. We are not opposed to the *purpose*. We fully recognize the need of the less developed countries for external assistance. We have provided and we will continue to provide aid in the

form of grants, loans, technical assistance, and in other appropriate ways. We are determined to do our full share toward meeting these needs.

Mr. President, I trust that our opposition to the proposed special development fund will not give rise to any misunderstanding of our policy toward economic development. I am sure that you will agree that the attitude of the U.S. Government toward the welfare of the people of the less developed countries requires no elaboration on my part. Our support of economic development can be measured in practical, concrete terms.

During the last 6 years, the U.S. Government made available over 5 billion dollars in the form of loans or grants to countries in underdeveloped areas. This figure does not include our paid-in subscription of 635 million dollars to the International Bank. Nor does it include the contributions which we have made to the many U.N. programs which have directly, and indirectly, assisted in the improvement of economic and social conditions in underdeveloped areas.

Although the larger part of the assistance which we have made available to the underdeveloped countries has been in the form of loans to Latin America, the Near East, Africa, and Asia, I should like to point out that in addition to such loans we appropriated last year alone over 400 million dollars to support widespread programs of grant assistance to agriculture and industry in these same areas. Within the past few weeks, the Congress authorized the appropriation of an additional 460 million dollars to continue these programs during the coming year.

I doubt whether it is necessary to present further proof of the sincerity of our interest in the welfare of the people of the underdeveloped countries and our determination to help them improve their standards of living.

Aside from this, the free countries of the world have had our technical assistance and our political support. They will continue to have that support. They will continue to have our aid.

I can assure you, Mr. President, that the economic and social development of the less developed countries is one of the deepest concerns of American foreign policy. And, Mr. President, I am confident that provision of financial assistance for this purpose has the basic approval of the American people. We will continue to meet our responsibilities in this area in the future as we have in the past.

Subject to the conditions contained in the General Assembly resolution, namely that "the study and elaboration of the plans . . . cannot and must not be regarded as in any way committing the governments . . . in any degree, whether financially or otherwise," the U.S. delegation is prepared to support the resolution submitted by Cuba, Egypt, Iran, and the Philippines and concurred in by Burma, Chile, and Yugoslavia.<sup>3</sup>

<sup>1</sup> Made before the U.N. Economic and Social Council on June 23 and released to the press by the U.S. Mission to the U.N. on the same date.

<sup>2</sup> See statement in BULLETIN of Dec. 17, 1951, p. 989, by Isador Lubin, U.S. Representative before Committee II (Economic and Social) of the General Assembly.

<sup>3</sup> U.N. doc. E/L. 363/rev. 1, dated June 20, 1952.

## U.S. Delegations to International Conferences

### Latin American Forestry Commission (FAO)

The Department of State on June 16 announced that the fourth session of the Latin American Forestry Commission of the Food and Agriculture Organization of the United Nations (FAO) will be held at Buenos Aires, Argentina, from June 16 to June 21, 1952. The U.S. delegation is as follows:

#### *Delegate*

Frank H. Wadsworth, Chief, Forest Management Research, Tropical Forest Experiment Station, U.S. Forest Service, Rio Piedras, Puerto Rico

#### *Advisers*

C. A. Boonstra, Agricultural Attaché, American Embassy, Buenos Aires

Edward B. Hamill, Forestry Consultant, Institute of Inter-American Affairs, Asunción, Paraguay

The United States, which has been officially represented at all sessions of the Commission, believes that a rational development of Latin American forest resources and an increased output of forest products, both for domestic consumption and for export, will contribute very substantially to the economic strength and stability of the hemisphere.

Since its establishment in 1948 by the FAO Latin American Conference on Forestry and Forest Products, the Commission, a subsidiary body consisting of technical delegates of all Latin American countries, has met at regular intervals to advise FAO's forestry and forest-products working group. It also works for the adoption by Latin American governments of all measures needed to implement the recommendations of the Conference.

The forthcoming session will be concerned mainly with the question of establishing a Latin American Forest Research and Training Institute; the problem of production, consumption, and trade of pulp and paper, on which experts of FAO and of the U.N. Economic Commission for Latin America have made a preliminary study; a review of the work performed under the U.N. technical assistance program in forestry which FAO is carrying on in Latin America; and preparation for Latin American participation in the fourth World Forestry Congress, to be held in 1954, and for a Tropical Forestry Congress.

### Northwest Atlantic Fisheries

The Department of State on July 1 announced that the second annual meeting of the International Commission for the Northwest Atlantic Fisheries opened on June 30 at St. Andrews, New Brunswick, Canada, and will continue until July 9, 1952. The U.S. delegation is as follows:

### U.S. COMMISSIONERS

John L. Kask, Chief, Office of Foreign Activities, Fish and Wildlife Service, Department of the Interior  
Bernhard K. Knollenberg, Chester, Conn.  
Francis W. Sargent, Director, Division of Marine Fisheries, Department of Conservation, Commonwealth of Massachusetts, Boston

### ADVISERS

Herbert W. Graham, Chief, North Atlantic Fishery Investigations, Fish and Wildlife Service, Department of the Interior  
Lionel A. Walford, Ph.D., Chief, Branch of Fishery Biology, Fish and Wildlife Service, Department of the Interior

### OBSERVER FROM THE UNITED STATES INDUSTRY ADVISORY COMMITTEE

Patrick McHugh, Secretary-Treasurer, Atlantic Fisherman's Union (AFL), Brighton, Mass.

In accordance with the terms of the International Convention for the Northwest Atlantic Fisheries, which entered into force in July 1950, the Commission provides the machinery for international cooperation in the scientific investigation and development of the fishery resources of the waters off the west coast of Greenland and the east coasts of Canada and New England. While the Commission has no direct regulatory powers, it may recommend to governments the regulatory measures that it considers necessary for maintaining, at a maximum level for sustained production, the stocks of fish which support the international fisheries in the Convention area. Upon approval by the governments directly concerned, regulations become applicable to all member countries. The first meeting of the Commission was held at Washington in April 1951.

This meeting will serve as an opportunity for a review of the first year of the Commission's operations. The Commission will hear committee reports on research and statistics, finance and administration, permanent headquarters site, ratifications of the Convention, staff matters, and certain panel reports. The 1952-53 budget may be revised, in accordance with decisions concerning a permanent headquarters and secretariat. Membership of the panels, established under the Convention to exercise primary responsibility concerning each of the five subareas into which the Convention area is divided, will be reviewed. The Commission will elect a new chairman, who will serve for one year, and appoint a permanent Executive Secretary. It is also expected that the Commission will formulate policies on the collection, compilation, and dissemination of statistical data; on the development of research programs for the entire Convention area and its five subareas; and on the Commission's working relationship to other international organizations with related objectives.

The United States and Canada are the members of the panel for subarea V, covering that portion of the total area adjacent to the New England



coast. The Commission will consider a report from this panel, which met in February 1952 to determine whether measures for the regulation of fisheries in subarea V should be recommended to the Commission for adoption. The panel is recommending that the Commission (1) instruct its Research and Statistics Committee to make a detailed study of all fish resources falling within the purview of the Convention; (2) consider a proposed regulation for haddock fishing, including a proposal to increase the average mesh size of the nets used in fishing for haddock off the New

England coast; and (3) call the attention of interested governments to a recommended research program concerning haddock.

Invitations to participate in this meeting have been extended to Canada, Denmark, Iceland, Spain, the United Kingdom, and the United States, which are parties to the Convention; to France, Italy, Norway, and Portugal, which have signed but not yet ratified the Convention; and to the Food and Agriculture Organization of the United Nations and the International Council for the Exploration of the Sea.

## President Directs Continued U.S. Defense Support to Italy

White House press release dated June 24

*The President has sent identical letters regarding continuance of U.S. aid to Italy to Kenneth McKellar, Chairman, Committee on Appropriations, U.S. Senate; Richard B. Russell, Chairman, Committee on Armed Services, U.S. Senate; Tom Connally, Chairman, Committee on Foreign Relations, U.S. Senate; Clarence Cannon, Chairman, Committee on Appropriations, House of Representatives; Carl Vinson, Chairman, Committee on Armed Services, House of Representatives; and James P. Richards, Chairman, Committee on Foreign Affairs, House of Representatives. The text of the President's letter follows, together with the text of an attached report by W. A. Harriman, Director for Mutual Security:*

### LETTER TO CONGRESSIONAL COMMITTEES

I have been advised that a centerless grinding machine was shipped from Italy to Rumania after the effective date of the Mutual Defense Assistance Control Act of 1951 (The Battle Act). This grinding machine is an item listed by the Administrator, pursuant to Title I of the Battle Act, as one embargoed in order to effectuate the purposes of the Act. Any shipment of any such items listed automatically results in all military, economic and financial assistance to Italy being cut off, unless I determine, in accordance with the powers granted to me by Section 103 (b) of the

Act, that "cessation of aid would clearly be detrimental to the security of the United States". The Administrator of the Act has advised me that aid to Italy should be continued. He made this recommendation after consultation with representatives of the Departments of State, Treasury, Defense, Interior, Agriculture, and Commerce; the Office of Defense Mobilization, the Mutual Security Agency, the Atomic Energy Commission, the Central Intelligence Agency, Export-Import Bank, and the National Security Resources Board.

For your information, I am attaching a report of the Administrator of the Battle Act to me. This report sets forth the facts in this case, together with his recommendation thereon.

After studying the report of the Administrator, and in accordance with the provisions of Section 103 (b) of the Battle Act, I have directed that assistance by the United States to Italy be continued. In reaching this determination, I have taken into account "the contribution of such country to the mutual security of the free world, the importance of such assistance to the security of the United States, the strategic importance of imports received from countries of the Soviet bloc, and the adequacy of such country's controls over the export to the Soviet bloc of items of strategic importance".

Very sincerely yours,

HARRY S. TRUMAN

## REPORT TO THE PRESIDENT BY THE DIRECTOR FOR MUTUAL SECURITY

MY DEAR MR. PRESIDENT:

Italy, a country receiving military, economic, and financial assistance within the meaning of the Battle Act (Mutual Defense Assistance Control Act of 1951, Public Law 213, 82nd Congress), knowingly permitted, after the embargo provisions of Title I of the Act became effective (January 24, 1952), the shipment to Rumania of an item which I included on the list of "those items of primary strategic significance used in the production of arms, ammunition, and implements of war" under Title I of that Act. I am accordingly required by Section 103 (b) either to recommend to you that all military, economic and financial assistance to Italy be terminated, or to render you advice on the basis of which you may exercise your authority to determine that "unusual circumstances indicate that the cessation of aid (to Italy) would clearly be detrimental to the security of the United States."

The shipment involved one grinding machine valued at \$11,000. This particular machine is a centerless type that may be used in the production of innumerable non-strategic as well as strategic items. It might conceivably be used in Rumania or elsewhere within the Soviet bloc in manufacturing operations for the ultimate production of agricultural and textile machinery, oil field equipment, locomotive parts, automotive vehicles, and ball and roller bearings.

Although this type of machine could unquestionably be used in connection with the manufacture of war materials, in the opinion of U.S. technical experts one machine of this kind will not add significantly to the overall Soviet war potential.

The original contract between the Italian exporter and the Rumanian purchaser was entered into nearly one year ago. This was before passage of the Battle Act and several months before the effective date of the embargo provision of the Act. An export license for the grinder was issued by the Italian Government in November 1951 as a result of an administrative error. Although the embargo provisions of the Battle Act were not in effect at that time, this machine was a mutually agreed embargo item on the list of the multilateral body concerned with export controls in Europe. Delivery was scheduled for February, some weeks after the cut-off date (January 24, 1952) under the Battle Act, beyond which any country knowingly permitting shipments of strategic items to the Soviet bloc risks termination of United States aid.

Immediately upon learning of the proposed shipment, the United States took steps to persuade the Italian Government to cancel the order and to find an alternative market for the machine. Although the Italians claimed that such action would be extremely difficult since payment for the grinder had been 75% completed, and because of

serious legal obstacles involved in cancellation, they nevertheless agreed to a temporary delay in shipment, pending further discussions. When the temporary delay of shipment expired in mid-March 1952 the United States requested a further delay to which the Italians agreed and issued a staying order. Unfortunately, however, the staying order reached the customs control at the frontier too late to prevent export. In effect the grinder was licensed and shipped as the result of two administrative shortcomings for which the Italian Government has expressed its official regrets and agreed to guard against in the future.

Although there appeared to be some question as to whether or not, as a result of these administrative errors, the Italians "knowingly permitted" the shipment within the meaning of the Battle Act, I do not feel that the errors involved in this case, of themselves, constitute a basis for concluding that the provisions of the Act are inapplicable.

Section 103 (b) of the Act provides that after receiving my advice and taking into account certain stated considerations, you may direct the continuance of assistance when unusual circumstances indicate that the cessation of aid would clearly be detrimental to the security of the United States. I am listing these considerations below, together with a statement of facts believed pertinent to each.

### *A. Contribution of Italy to the Mutual Security of the Free World:*

Italy, as a partner in the North Atlantic Treaty Organization, is of great importance to the defense of Western Europe by reason of its geographical position and its rearmament program which, in combination with end-items to be supplied by the United States, is designed to supply Italy's armed forces with the weapons and equipment required to carry out their NATO defense tasks. The present Italian Government is strongly anti-Communist. In its foreign policy it enthusiastically supports, as a basic principle, action directed toward the military and economic integration of Western Europe.

Italy, more than any other Western European NATO country, possesses industrial capacity which is under-utilized. This presently limits in some degree its contribution of defense matériel to the mutual defense effort. However with continued U.S. aid Italy should be able to increase its production and to fulfill the substantial pledges it has made for building up its defense forces within the structure of NATO.

### *B. The Importance to the Security of the United States of Assistance to Italy:*

Since the war, Italy has effectively promoted industrial and agricultural recovery, has given jobs to many, and has relieved some of the strain from the acute problem of surplus population. This

strengthening of the Italian economy has contributed substantially to the stability of the present strongly anti-Communist government. This progress has been materially helped by virtue of U.S. assistance.

Any setback, through the withdrawal of defense support, in the progress which has been made would undoubtedly be reflected in a weakening of the democratic forces in Italy, with consequent prejudice to the interests and security of the United States. With a reduction in the already very low standard of living, and an increase in unemployment, the appeal of Communist propaganda would be heightened. In addition, of course, withdrawal of defense support would have a serious effect on Italian arms production. These factors, together with discontinuance at this time of the supplying of military end-items by the United States would make it impossible for Italy to fulfill its pledges under the mutual defense program.

*C. Strategic Importance of Imports from the Soviet Bloc:*

Italian imports from the Soviet bloc during 1951 amounted to \$80 million; exports to the bloc amounted to nearly \$66 million, or approximately 4% of Italy's total export trade. The principal imports from the bloc were coal, wheat, and other agricultural products, and iron and steel. Attempts to procure these commodities from other sources would involve serious problems of supply and financing. The principal difficulty would arise from the need to pay dollars.

*D. Adequacy of Italian Export Controls:*

The Italian Government cooperates with the United States and other countries of the free world to prevent or limit drastically export to the Soviet bloc of items that are considered by these countries to be strategic. The Italian controls are based on a system of export licensing similar to that used by the other cooperating countries and are supplemented by financial control exercised through the Italian Foreign Exchange Office. These controls have resulted in an important reduction of shipments of strategic items to the Soviet bloc. The Italian Government has accepted and recently put into effect the principle of the Import Certificate-Delivery Verification system, the purpose of which is to prevent the diversion or transshipment to the Soviet bloc of imports from the West. As for the manner in which this particular export was handled, the United States has expressed its concern and urged Italy to tighten the administration of its controls in order to preclude further shipments of this nature.

Italy is an integral, willing and important component of the security system designed to assure effective protection against aggression through

the mutual efforts of the countries of the Free World. To terminate assistance to Italy would in my considered judgment seriously jeopardize Italian participation in our united effort. The impact of such a development within the NATO structure at this time represents a risk to the overall security that far outweighs the relative importance of the shipment involved.

I accordingly advise that you direct the continuance of assistance to Italy since "unusual circumstances indicate that the cessation of aid would clearly be detrimental to the security of the United States". I have reached this conclusion after consultation with the Departments of State, Treasury, Defense, Interior, Agriculture, Commerce, Office of Defense Mobilization, Mutual Security Agency, the Export-Import Bank, the Atomic Energy Commission, and the Central Intelligence Agency.

Respectfully yours,

W. A. HARRIMAN  
*Director for Mutual Security*

**Check List of Department of State  
Press Releases: June 30-July 3**

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington 25, D. C.

No.	Date	Subject
468	6/16	Latin-American Forestry Commission
489	6/24	Lake Ontario high-water level
495	6/24	Mesta: International questions
506	6/30	St. Lawrence power development
†507	6/30	Pacific Council meeting
508	6/30	Extradition convention with Canada
509	6/30	Philippine highway rehabilitation
*510	6/30	Ackerman: retirement
511	6/30	Lebanon: Point Four program
†512	6/30	ICAO regional meeting
513	6/30	Uruguay: military agreement
†514	6/30	International Wheat Council
515	6/30	Afghanistan: Point Four funds
516	6/30	Bombing of Korea power plants
517	7/1	Northwest Atlantic Fisheries
518	7/1	Pakistan: Point Four program
519	7/1	Vietnam: Letter of credence (re-write)
520	7/1	Cambodia: Letter of credence (re-write)
†521	7/1	Jernegan: Deputy Assistant Secretary
*522	7/1	Canada: Confederation Day
*523	7/2	Exchange of Persons
†524	7/2	Telecommunications talks
525	7/2	Bruce: Ratification of treaties
526	7/2	Bruce: North Korean bombing
527	7/3	Finland: Exchange agreement
528	7/3	Andrews: Visit to Indonesia and Burma
529	7/3	Acheson: Address in Brazil
*530	7/3	Philippines anniversary
†531	7/3	U.S. Advisory Commission report
*532	7/3	Exchange of persons
*533	7/3	Exchange of persons

† Held for a later issue of the BULLETIN.

\*Not printed.

## Immigration and Nationality Act Vetoed

*Message of the President to the House of Representatives*<sup>1</sup>

I return herewith, without my approval, H.R. 5678, the proposed Immigration and Nationality Act.

In outlining my objections to this bill, I want to make it clear that it contains certain provisions that meet with my approval. This is a long and complex piece of legislation. It has 164 separate sections, some with more than 40 subdivisions. It presents a difficult problem of weighing the good against the bad, and arriving at a judgment on the whole.

H.R. 5678 is an omnibus bill which would revise and codify all of our laws relating to immigration, naturalization, and nationality.

A general revision and modernization of these laws unquestionably is needed and long overdue, particularly with respect to immigration. But this bill would not provide us with an immigration policy adequate for the present world situation. Indeed, the bill, taking all its provisions together, would be a step backward and not a step forward. In view of the crying need for reform in the field of immigration, I deeply regret that I am unable to approve H.R. 5678.

In recent years, our immigration policy has become a matter of major national concern. Long dormant questions about the effect of our immigration laws now assume first rate importance. What we do in the field of immigration and naturalization is vital to the continued growth and internal development of the United States—to the economic and social strength of our country—which is the core of the defense of the free world. Our immigration policy is equally, if not more important to the conduct of our foreign relations and to our responsibilities of moral leadership in the struggle for world peace.

In one respect, this bill recognizes the great international significance of our immigration and naturalization policy, and takes a step to improve existing laws. All racial bars to naturalization would be removed, and at least some minimum immigration quota would be afforded to each of the free nations of Asia.

I have long urged that racial or national bar-

riers to naturalization be abolished. This was one of the recommendations in my civil rights message to the Congress on February 2, 1948. On February 19, 1951, the House of Representatives unanimously passed a bill to carry it out.

But now this most desirable provision comes before me embedded in a mass of legislation which would perpetuate injustices of long standing against many other nations of the world, hamper the efforts we are making to rally the men of East and West alike to the cause of freedom, and intensify the repressive and inhumane aspects of our immigration procedures. The price is too high, and in good conscience I cannot agree to pay it.

I want all our residents of Japanese ancestry, and all our friends throughout the Far East, to understand this point clearly. I cannot take the step I would like to take, and strike down the bars that prejudice has erected against them, without, at the same time, establishing new discriminations against the peoples of Asia and approving harsh and repressive measures directed at all who seek a new life within our boundaries. I am sure that with a little more time and a little more discussion in this country the public conscience and the good sense of the American people will assert themselves and we shall be in a position to enact an immigration and naturalization policy that will be fair to all.

In addition to removing racial bars to naturalization, the bill would permit American women citizens to bring their alien husbands to this country as non-quota immigrants, and enable alien husbands of resident women aliens to come in under the quota in a preferred status. These provisions would be a step toward preserving the integrity of the family under our immigration laws, and are clearly desirable.

The bill would also relieve transportation companies of some of the unjustified burdens and penalties now imposed upon them. In particular, it would put an end to the archaic requirement that carriers pay the expenses of aliens detained at the

EDITOR'S NOTE.—On June 26 the House overrode the President's veto by a vote of 278 to 113. The Immigration and Nationality Act became Public Law 414 on June 27, after the Senate voted 57 to 26 to pass the bill again.

<sup>1</sup> H. doc. 520, transmitted June 25.

port of entry, even though such aliens have arrived with proper travel documents.

### **Improvements Outweighed by Defects**

But these few improvements are heavily outweighed by other provisions of the bill which retain existing defects in our laws, and add many undesirable new features.

The bill would continue, practically without change, the national origins quota system, which was enacted into law in 1924, and put into effect in 1929. This quota system—always based upon assumptions at variance with our American ideals—is long since out of date and more than ever unrealistic in the face of present world conditions.

This system hinders us in dealing with current immigration problems, and is a constant handicap in the conduct of our foreign relations. As I stated in my message to Congress on March 24, 1952, on the need for an emergency program of immigration from Europe, "Our present quota system is not only inadequate to meet present emergency needs, it is also an obstacle to the development of an enlightened and satisfactory immigration policy for the long-run future."

The inadequacy of the present quota system has been demonstrated since the end of the war, when we were compelled to resort to emergency legislation to admit displaced persons. If the quota system remains unchanged, we shall be compelled to resort to similar emergency legislation again, in order to admit any substantial portion of the refugees from communism or the victims of overcrowding in Europe.

With the idea of quotas in general there is no quarrel. Some numerical limitation must be set, so that immigration will be within our capacity to absorb. But the overall limitation of numbers imposed by the national origins quota system is too small for our needs today, and the country by country limitations create a pattern that is insulting to large numbers of our finest citizens, irritating to our allies abroad, and foreign to our purposes and ideals.

The overall quota limitation, under the law of 1924, restricted annual immigration to approximately 150,000. This was about one-seventh of one percent of our total population in 1920. Taking into account the growth in population since 1920, the law now allows us but one-tenth of one percent of our total population. And since the largest national quotas are only partly used, the number actually coming in has been in the neighborhood of one-fifteenth of one percent. This is far less than we must have in the years ahead to keep up with the growing needs of our Nation for manpower to maintain the strength and vigor of our economy.

The greatest vice of the present quota system, however, is that it discriminates, deliberately and

intentionally, against many of the peoples of the world. The purpose behind it was to cut down and virtually eliminate immigration to this country from Southern and Eastern Europe. A theory was invented to rationalize this objective. The theory was that in order to be readily assimilable, European immigrants should be admitted in proportion to the numbers of persons of their respective national stocks already here as shown by the census of 1920. Since Americans of English, Irish and German descent were most numerous, immigrants of those three nationalities got the lion's share—more than two-thirds—of the total quota. The remaining third was divided up among all the other nations given quotas.

### **Effect of 1924 Quotas**

The desired effect was obtained. Immigration from the newer sources of Southern and Eastern Europe was reduced to a trickle. The quotas allotted to England and Ireland remained largely unused, as was intended. Total quota immigration fell to a half or a third—and sometimes even less—of the annual limit of 154,000. People from such countries as Greece, or Spain, or Latvia were virtually deprived of any opportunity to come here at all, simply because Greeks or Spaniards or Latvians had not come here before 1920 in any substantial numbers.

The idea behind this discriminatory policy was, to put it baldly, that Americans with English or Irish names were better people and better citizens than Americans with Italian or Greek or Polish names. It was thought that people of West European origin made better citizens than Rumanians or Yugoslavs or Ukrainians or Hungarians or Balts or Austrians. Such a concept is utterly unworthy of our traditions and our ideals. It violates the great political doctrine of the Declaration of Independence that "all men are created equal." It denies the humanitarian creed inscribed beneath the Statue of Liberty proclaiming to all nations, "Give me your tired, your poor, your huddled masses yearning to breathe free."

It repudiates our basic religious concepts, our belief in the brotherhood of man, and in the words of St. Paul that "there is neither Jew nor Greek, there is neither bond nor free, . . . for ye are all one in Christ Jesus."

The basis of this quota system was false and unworthy in 1924. It is even worse now. At the present time, this quota system keeps out the very people we want to bring in. It is incredible to me that, in this year of 1952, we should again be enacting into law such a slur on the patriotism, the capacity, and the decency of a large part of our citizenry.

Today, we have entered into an alliance, the North Atlantic Treaty, with Italy, Greece, and Turkey against one of the most terrible threats mankind has ever faced. We are asking them to

join with us in protecting the peace of the world. We are helping them to build their defenses, and train their men, in the common cause. But, through this bill we say to their people: You are less worthy to come to this country than Englishmen or Irishmen; you Italians, who need to find homes abroad in the hundreds of thousands—you shall have a quota of 5,645; you Greeks, struggling to assist the helpless victims of a communist civil war—you shall have a quota of 308; and you Turks, you are brave defenders of the Eastern flank, but you shall have a quota of only 225!

Today, we are "protecting" ourselves, as we were in 1924, against being flooded by immigrants from Eastern Europe. This is fantastic. The countries of Eastern Europe have fallen under the communist yoke—they are silenced, fenced off by barbed wire and minefields—no one passes their borders but at the risk of his life. We do not need to be protected against immigrants from these countries—on the contrary we want to stretch out a helping hand, to save those who have managed to flee into Western Europe, to succor those who are brave enough to escape from barbarism, to welcome and restore them against the day when their countries will, as we hope, be free again. But this we cannot do, as we would like to do, because the quota for Poland is only 6,500, as against the 138,000 exiled Poles, all over Europe, who are asking to come to these shores; because the quota for the now subjugated Baltic countries is little more than 700—against the 23,000 Baltic refugees imploring us to admit them to a new life here; because the quota for Rumania is only 289, and some 30,000 Rumanians, who have managed to escape the labor camps and the mass deportations of their Soviet masters, have asked our help. These are only a few examples of the absurdity, the cruelty of carrying over into this year of 1952 the isolationist limitations of our 1924 law.

In no other realm of our national life are we so hampered and stultified by the dead hand of the past, as we are in this field of immigration. We do not limit our cities to their 1920 boundaries—we do not hold our corporations to their 1920 capitalizations—we welcome progress and change to meet changing conditions in every sphere of life, except in the field of immigration.

The time to shake off this dead weight of past mistakes is now. The time to develop a decent policy of immigration—a fitting instrument for our foreign policy and a true reflection of the ideals we stand for, at home and abroad—is now. In my earlier message on immigration,<sup>2</sup> I tried to explain to the Congress that the situation we face in immigration is an emergency—that it must be met promptly. I have pointed out that in the last few years, we have blazed a new trail in immigration, through our Displaced Persons Program.

<sup>2</sup> For the President's Message of Mar. 24, see BULLETIN of Apr. 7, 1952, p. 551.

Through the combined efforts of the Government and private agencies, working together not to keep people out, but to bring qualified people in, we summoned our resources of good will and human feeling to meet the task. In this program, we have found better techniques to meet the immigration problems of the 1950's.

None of this fruitful experience of the last three years is reflected in this bill before me. None of the crying human needs of this time of trouble is recognized in this bill. But it is not too late. The Congress can remedy these defects, and it can adopt legislation to meet the most critical problems before adjournment.

The only consequential change in the 1924 quota system which the bill would make is to extend a small quota to each of the countries of Asia. But most of the beneficial effects of this gesture are offset by other provisions of the bill. The countries of Asia are told in one breath that they shall have quotas for their nationals, and in the next, that the nationals of the other countries, if their ancestry is as much as 50 per cent Asian, shall be charged to these quotas.

#### **"Invidious Discrimination"**

It is only with respect to persons of oriental ancestry that this invidious discrimination applies. All other persons are charged to the country of their birth. But persons with Asian ancestry are charged to the countries of Asia, wherever they may have been born, or however long their ancestors have made their homes outside the land of their origin. These provisions are without justification.

I now wish to turn to the other provisions of the bill, those dealing with the qualifications of aliens and immigrants for admission, with the administration of the laws, and with problems of naturalization and nationality. In these provisions too, I find objections that preclude my signing this bill.

The bill would make it even more difficult to enter our country. Our resident aliens would be more easily separated from homes and families under grounds of deportation, both new and old, which would specifically be made retroactive. Admission to our citizenship would be made more difficult; expulsion from our citizenship would be made easier. Certain rights of native born, first generation Americans would be limited. All our citizens returning from abroad would be subjected to serious risk of unreasonable invasions of privacy. Seldom has a bill exhibited the distrust evidenced here for citizens and aliens alike—at a time when we need unity at home, and the confidence of our friends abroad.

We have adequate and fair provisions in our present law to protect us against the entry of criminals. The changes made by the bill in those provisions would result in empowering minor

immigration and consular officials to act as prosecutor, judge and jury in determining whether acts constituting a crime have been committed. Worse, we would be compelled to exclude certain people because they have been convicted by "courts" in communist countries that know no justice. Under this provision, no matter how construed, it would not be possible for us to admit many of the men and women who have stood up against totalitarian repression and have been punished for doing so. I do not approve of substituting totalitarian vengeance for democratic justice. I will not extend full faith and credit to the judgments of the communist secret police.

The realities of a world, only partly free, would again be ignored in the provision flatly barring entry to those who have made misrepresentations in securing visas. To save their lives and the lives of loved ones still imprisoned, refugees from tyranny sometimes misstate various details of their lives. We do not want to encourage fraud. But we must recognize that conditions in some parts of the world drive our friends to desperate steps. An exception restricted to cases involving misstatement of country of birth is not sufficient. And to make refugees from oppression forever deportable on such technical grounds is shabby treatment indeed.

Some of the new grounds of deportation which the bill would provide are unnecessarily severe. Defects and mistakes in admission would serve to deport at any time because of the bill's elimination, retroactively as well as prospectively, of the present humane provision barring deportations on such grounds five years after entry. Narcotic drug addicts would be deportable at any time, whether or not the addiction was culpable, and whether or not cured. The threat of deportation would drive the addict into hiding beyond the reach of cure, and the danger to the country from drug addiction would be increased.

### **Departure from American Tradition**

I am asked to approve the reenactment of highly objectionable provisions now contained in the Internal Security Act of 1950—a measure passed over my veto shortly after the invasion of South Korea. Some of these provisions would empower the Attorney General to deport any alien who has engaged or has had a purpose to engage in activities "prejudicial to the public interest" or "subversive to the national security." No standards or definitions are provided to guide discretion in the exercise of powers so sweeping. To punish undefined "activities" departs from traditional American insistence on established standards of guilt. To punish an undefined "purpose" is thought control.

These provisions are worse than the infamous Alien Act of 1798, passed in a time of national fear and distrust of foreigners, which gave the

President power to deport any alien deemed "dangerous to the peace and safety of the United States." Alien residents were thoroughly frightened and citizens much disturbed by that threat to liberty.

Such powers are inconsistent with our democratic ideals. Conferring powers like that upon the Attorney General is unfair to him as well as to our alien residents. Once fully informed of such vast discretionary powers vested in the Attorney General, Americans now would and should be just as alarmed as Americans were in 1798 over less drastic powers vested in the President.

Heretofore, for the most part, deportation and exclusion have rested upon findings of fact made upon evidence. Under this bill, they would rest in many instances upon the "opinion" or "satisfaction" of immigration or consular employees. The change from objective findings to subjective feelings is not compatible with our system of justice. The result would be to restrict or eliminate judicial review of unlawful administrative action.

The bill would sharply restrict the present opportunity of citizens and alien residents to save family members from deportation. Under the procedures of present law, the Attorney General can exercise his discretion to suspend deportation in meritorious cases. In each such case, at the present time, the exercise of administrative discretion is subject to the scrutiny and approval of the Congress. Nevertheless, the bill would prevent this discretion from being used in many cases where it is now available, and would narrow the circle of those who can obtain relief from the letter of the law. This is most unfortunate, because the bill, in its other provisions, would impose harsher restrictions and greatly increase the number of cases deserving equitable relief.

Native-born American citizens who are dual nationals would be subjected to loss of citizenship on grounds not applicable to other native-born American citizens. This distinction is a slap at millions of Americans whose fathers were of alien birth.

Children would be subjected to additional risk of loss of citizenship. Naturalized citizens would be subjected to the risk of denaturalization by any procedure that can be found to be permitted under any State law or practice pertaining to minor civil law suits. Judicial review of administrative denials of citizenship would be severely limited and impeded in many cases, and completely eliminated in others. I believe these provisions raise serious constitutional questions. Constitutionality aside, I see no justification in national policy for their adoption.

Section 401 of this bill would establish a Joint Congressional Committee on Immigration and Nationality Policy. This committee would have the customary powers to hold hearings and to subpoena witnesses, books, papers and documents. But the Committee would also be given powers over

the Executive branch which are unusual and of a highly questionable nature. Specifically, section 401 would provide that "The Secretary of State and the Attorney General shall without delay submit to the Committee all regulations, instructions, and all other information as requested by the Committee relative to the administration of this Act."

This section appears to be another attempt to require the Executive branch to make available to the Congress administrative documents, communications between the President and his subordinates, confidential files, and other records of that character. It also seems to imply that the Committee would undertake to supervise or approve regulations. Such proposals are not consistent with the Constitutional doctrine of the separation of powers.

In these and many other respects, the bill raises basic questions as to our fundamental immigration and naturalization policy, and the laws and practices for putting that policy into effect.

Many of the aspects of the bill which have been most widely criticized in the public debate are reaffirmations or elaborations of existing statutes or administrative procedures. Time and again, examination discloses that the revisions of existing law that would be made by the bill are intended to solidify some restrictive practice of our immigration authorities, or to overrule or modify some ameliorative decision of the Supreme Court or other Federal courts. By and large, the changes that would be made by the bill do not depart from the basically restrictive spirit of our existing laws—but intensify and reinforce it.

### Need for Reassessment

These conclusions point to an underlying condition which deserves the most careful study. Should we not undertake a reassessment of our immigration policies and practices in the light of the conditions that face us in the second half of the twentieth century? The great popular interest which this bill has created, and the criticisms which it has stirred up, demand an affirmative answer. I hope the Congress will agree to a careful reexamination of this entire matter.

To assist in this complex task, I suggest the creation of a representative commission of outstanding Americans to examine the basic assumptions of our immigration policy, the quota system and all that goes with it, the effect of our present immigration and nationality laws, their administration, and the ways in which they can be brought into line with our national ideals and our foreign policy.

Such a commission should, I believe, be established by the Congress. Its membership should be bi-partisan and divided equally among persons from private life and persons from public life. I suggest that four members be appointed by the

President, four by the President of the Senate, and four by the Speaker of the House of Representatives. The commission should be given sufficient funds to employ a staff and it should have adequate powers to hold hearings, take testimony, and obtain information. It should make a report to the President and to the Congress within a year from the time of its creation.

Pending the completion of studies by such a commission, and the consideration of its recommendations by the Congress, there are certain steps which I believe it is most important for the Congress to take this year.

First, I urge the Congress to enact legislation removing racial barriers against Asians from our laws. Failure to take this step profits us nothing and can only have serious consequences for our relations with the peoples of the Far East. A major contribution to this end would be the prompt enactment by the Senate of H. R. 403. That bill, already passed by the House of Representatives, would remove the racial bars to the naturalization of Asians.

Second, I strongly urge the Congress to enact the temporary, emergency immigration legislation which I recommended three months ago. In my message of March 24, 1952, I advised the Congress that one of the gravest problems arising from the present world crisis is created by the overpopulation in parts of Western Europe. That condition is aggravated by the flight and expulsion of people from behind the iron curtain. In view of these serious problems, I asked the Congress to authorize the admission of 300,000 additional immigrants to the United States over a three-year period. These immigrants would include Greek nationals, Dutch nationals, Italians from Italy and Trieste, Germans and persons of German ethnic origin, and religious and political refugees from communism in Eastern Europe. This temporary program is urgently needed. It is very important that the Congress act upon it this year. I urge the Congress to give prompt and favorable consideration to the bills introduced by Senator Hendrickson and Representative Celler (S. 3109 and H. R. 7376),<sup>3</sup> which will implement the recommendations contained in my message of March 24.

I very much hope that the Congress will take early action on these recommendations. Legislation to carry them out will correct some of the unjust provisions of our laws, will strengthen us at home and abroad, and will serve to relieve a great deal of the suffering and tension existing in the world today.

HARRY S. TRUMAN

THE WHITE HOUSE,  
June 25, 1952.

<sup>3</sup> For testimony by Under Secretary Bruce on H.R. 7376 before the Subcommittee on Immigration of the House Judiciary Committee, see *ibid.*, June 9, 1952, p. 920.



# Determination of Quotas Under Immigration and Nationality Act

## A PROCLAMATION<sup>1</sup>

WHEREAS under the provisions of section 201 (b) of the Immigration and Nationality Act, the Secretary of State, the Secretary of Commerce, and the Attorney General, jointly, are required to determine the annual quota of any quota area established pursuant to the provisions of section 202 of the said Act, and to report to the President the quota of each quota area so determined; and

WHEREAS the Acting Secretary of State, the Acting Secretary of Commerce, and the Attorney General have reported to the President that in accordance with the duty imposed and the authority conferred upon them by section 201 (b) of the Immigration and Nationality Act, they jointly have made the determination provided for and computed under the provisions of section 201 (a) of the said Act; and have fixed, in accordance therewith, immigration quotas as hereinafter set forth:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, acting under and by virtue of the authority vested in me by the aforesaid Act of Congress, do hereby proclaim and make known that the annual quota of each quota area hereinafter enumerated has been determined in accordance with the law to be, and shall be, as follows:

Area No.	Quota area	Quota
1	Afghanistan	100
2	Albania	100
3	Andorra	100
4	Arabian Peninsula	100
5	Asia-Pacific triangle	100
6	Australia	100
7	Austria	1,405
8	Belgium	1,297
9	Bhutan	100
10	Bulgaria	100
11	Burma	100
12	Cambodia	100
13	Cameroons (trust territory, United Kingdom)	100
14	Cameroons (trust territory, France)	100
15	Ceylon	100
16	China	100
17	Chinese	105
18	Czechoslovakia	2,859
19	Danzig, Free City of	100
20	Denmark	1,175
21	Egypt	100
22	Estonia	115
23	Ethiopia	100
24	Finland	566
25	France	3,069
26	Germany	25,814
27	Great Britain and Northern Ireland	65,361
28	Greece	308
29	Hungary	865
30	Iceland	100
31	India	100
32	Indonesia	100
33	Iran (Persia)	100
34	Iraq	100
35	Ireland (Eire)	17,756
36	Israel	100
37	Italy	5,645
38	Japan	185
39	Jordan	100
40	Korea	100
41	Laos	100
42	Latvia	235
43	Lebanon	100
44	Liberia	100

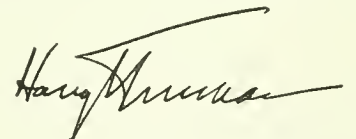
Area No.	Quota area	Quota
45	Libya	100
46	Liechtenstein	100
47	Lithuania	384
48	Luxembourg	100
49	Monaco	100
50	Morocco	100
51	Muscat (Oman)	100
52	Nauru (trust territory, Australia)	100
53	Nepal	100
54	Netherlands	3,136
55	New Guinea (trust territory, Australia)	100
56	New Zealand	100
57	Norway	2,364
58	Pacific Islands (trust territory, United States administered)	100
59	Pakistan	100
60	Palestine (Arab Palestine)	100
61	Philippines	100
62	Poland	6,488
63	Portugal	438
64	Ruanda-Urundi (trust territory, Belgium)	100
65	Rumania	289
66	Samoa, Western (trust territory, New Zealand)	100
67	San Marino	100
68	Saudi Arabia	100
69	Somaliland (trust territory, Italy)	100
70	South-West Africa (mandate)	100
71	Spain	250
72	Sweden	3,295
73	Switzerland	1,698
74	Syria	100
75	Tanganyika (trust territory, United Kingdom)	100
76	Thailand (Siam)	100
77	Togo (trust territory, France)	100
78	Togoland (trust territory, United Kingdom)	100
79	Trieste, Free Territory of	100
80	Turkey	225
81	Union of South Africa	100
82	U. S. S. R.	2,697
83	Vietnam	100
84	Yemen	100
85	Yugoslavia	933

The provision of an immigration quota for any quota area is designed solely for the purposes of the Immigration and Nationality Act and shall not constitute recognition by the United States of the political transfer of territory from one country to another, or recognition of a government not recognized by the United States.

The following proclamations regarding immigration quotas are hereby revoked: Proclamation 2283 of April 28, 1938; Proclamation 2603 of February 8, 1944; Proclamation 2666 of September 28, 1945; Proclamation 2696 of July 4, 1946; Proclamation 2846 of July 27, 1949; and Proclamation 2911 of October 31, 1950.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this thirtieth day of June, in the year of our Lord nineteen hundred and fifty-two, and of the Independence of the United States of America the one hundred and seventy-sixth.



HARRY S. TRUMAN

By the President:  
DAVID BRUCE

Acting Secretary of State

<sup>1</sup> No. 2980 (17 Fed. Reg. 6019).

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## Fundamentals of Inter-American Cooperation

### SECRETARY ACHESON'S VISIT TO BRAZIL

*Secretary Acheson arrived at Recife, Brazil, on July 2, after visits to London, Berlin, and Vienna. The following evening he spoke at a banquet given at Rio de Janeiro by Foreign Minister Joao Neves da Fontoura (see BULLETIN of July 14, 1952, p. 47). On July 4 he addressed the Brazilian Senate and the Chamber of Deputies; on July 7, the last day of his visit, he spoke at a banquet at São Paulo, where his host was Governor Lucas Garces of the State of São Paulo.*

*Following are the text of his address to the Senate, excerpts from his remarks before the Chamber of Deputies, and the text of his São Paulo address.*

#### A FRIENDSHIP DEEPER THAN SUPERFICIAL DIFFERENCES

Press release 535 dated July 4

*Mr. President:*<sup>1</sup>

I am deeply moved at the reception you have accorded me here today. The generous words which have been addressed to me by Your Excellency and by several members of the Senate are typical of the cordiality which has been extended throughout this beautiful capital of Brazil ever since my arrival here. On all sides I have sensed a warmth and sincerity which has made me feel truly that I am among friends. It is needless to say that I reciprocate this feeling of friendship toward the people of this great and beautiful land.

It is particularly satisfying to me to recognize that the cordial hospitality that is being extended to me comes from the heart of the Brazilian people. Friendship between Brazil and my country rests upon a firm basis of popular feeling. It is with particular pleasure, therefore, that I take this opportunity to meet in the Brazilian Senate with the representatives of the Brazilian people. I should like to think that through you I may speak to all the people of this great nation.

<sup>1</sup>Joao Cafe Filho, Vice President of Brazil.

To be sure there are many differences between us—of language and of customs. These differences, however, merely add flavor and interest to a friendship that is deeper than superficial differences.

What binds our two people together are factors which are fundamental to both our countries. We are both American in the true sense of the word and cannot fail to express the optimistic and hopeful spirit of the New World. We share a belief in the importance of the common man and in his great destiny. When we speak of the "people," we do not have in mind that impersonal mass which characterizes Communist and other totalitarian concepts of humanity, but a number of individuals, each endowed with a divine spark and each worthy of dignity and respect.

It is inevitable, therefore, that in all our undertakings, both national and international, we start with the needs and aspirations of the people. They constitute the basic objective toward which we strive. Throughout the whole world the word "America" has stood for the effective realization of humanity's aspirations for a better life, measured in both material and spiritual terms.

It follows also from our basic concept of the dignity of the individual, that respect must be accorded not only to the majority, but also to the minority, provided the minority is willing to live loyally within the general framework of the law. A legislative body exists so that the views of the representatives of all the people may be expressed. It is bound to encounter differences of opinion. It is a natural human tendency for each of us to want to do things our own way. But we soon find that, to get things done at all, we must often compromise those opinions in order to accommodate the interests and desires of others whose cooperation is essential to us, but whose opinions differ. In our civilization we have learned that differences based upon local or occupational interests, or reflecting varied political and philosophical beliefs, can be reconciled in an orderly and construc-

tive fashion, provided all will accept a loyalty to the higher ideals of our civilization. The reconciliation and accommodation of different views and interests is another great function of a legislative body.

The fact that we are meeting here today in this historic hall of the Brazilian Senate symbolizes, therefore, much of what our two countries are striving for at home and throughout the world. Here we find concrete expression of the two great factors which dominate our approach toward the solution of human problems—the representation of the interests of the people and the reconciliation of differing views through debate, reason, and constructive compromise. These two factors are the basis of a way of life which the people of Brazil and of the United States, in company with those of many other free countries of the world, are trying to strengthen and to make prosper in the world.

It is inevitable that these two principles, and the way of life they represent, should vitally influence our international relations. They lead us to only one possible purpose—the maintenance of a peaceful order in which each nation may live out its own destiny free from alien control.

#### **OAS Contribution to Peaceful Solutions**

The historic cooperation between Brazil and the United States throughout more than a century of peaceful commerce and joint cooperation symbolizes this spirit. On a broader scale, we find, for example, in the Organization of American States, to which Brazil has contributed such great talent and leadership, a larger projection of these same ideas. We start in our Organization of American States with a principle of respect for the individual, recognizing as basic to our relationship the sovereign equality of all member states. We accord to each of them the respect of not intervening in their internal affairs. And when we have differences of opinion, as is inevitably the case in any group of individuals or nations, we resolve them peacefully through debate in the organs of the Organization of American States, and work out settlements which give due accord to the just interests and aspirations of all.

The fact that this is possible in our inter-American relations is, no less than on the national scene, due to the fact that throughout our community of American States we have reached certain convictions of principle regarding the conduct of our relations. These principles are set forth in the Charter of the Organization and reflect the same two basic tenets; namely, response to the needs of people and peaceful reconciliation of differences, to which I have referred.

The Organization of American States forms an inspiring example of how these principles may be made to work for the preservation of peace and

for the cooperation among nations even when they differ in size, race, language, and economic and military strength. It provides in the American region a pattern of relations, which in the broader world scene we are striving to achieve through the United Nations.

#### **Europe Finding New Unity**

Now, I have just come to this beautiful land from Europe, where new and powerful efforts are being made to strengthen and advance these same principles in national and international relations. Faced with the threat of aggression, Western Europe is finding a new unity which heretofore had existed only in dreams of its more enlightened statesmen and philosophers.

The Schuman Plan for the unification of the coal and steel industries is a striking example of progress toward the gradual merger of rival economic interests. Military jealousies are being submerged in the creation of a unified army which, by its very nature, can have only a defensive purpose. Further steps in direct political association among the peoples of Europe are soon to be discussed in a meeting of ministers which is even now in course of preparation.

Why do we find these constructive developments taking place in our Western civilization? Clearly it is because today our civilization faces the stark necessity of strengthening itself or of perishing. The totalitarian principles which motivate Soviet communism in its creeping domination of neighboring states strike at all that we believe in—all that is symbolized in this meeting of the people's representatives here today.

In the Communist practice there is no respect for the voice of the people. While we have learned to settle our international disputes peacefully and to live in mutual respect within our Organization of American States, the others have pursued the ancient course of conquest among their neighboring lands.

Grave though the menace is at this time to those of us who still enjoy our liberties and our opportunities for the future, it may be that this evil is not without some beneficial result. Faced with the awful alternative, we realize more assuredly now the advantages with which we have been blessed. We understand more clearly the need for strengthening the principles which, through centuries of history, we have learned to be all important in the achievement of our peaceful ends. We perceive more readily that those nations which share this concept of peace must stand together firmly if that peace is to be preserved.

And so I return to this happy occasion on which I am honored in the national Senate by representatives of the people of Brazil. It is fortunate that we are able to meet thus. For what your country, and my country, and the many others associated with us are striving to defend in our

## Collective Responsibility for Hemisphere Security

*Excerpts from Secretary Acheson's Remarks Before the Brazilian Chamber of Deputies on July 4*

Today, we no longer have a unilateral concept of hemisphere security but rather we are engaged in an equal partnership symbolized by the treaty which bears the name of this beautiful city and which was signed by all 21 American Republics here in 1947. The essence of the inter-American system is collective responsibility plus absolute nonintervention in the affairs of other states. The United States intends to abide by both the letter and the spirit of these inter-American commitments.

The essence of the democratic process is the respect that the people of a country have for their institutions. In the last 10 years with the tremendous change which has occurred in the national position of the United States, we have had to devise new institutions and strengthen our existing ones to measure up to our responsibilities. Agencies of our Government, such as the National Security Council and Mutual Security Agency, are examples of this kind of institutional progress. Our Congress, likewise, has had to adapt many of its procedures to meet the crushing burden of work which today falls upon our legislators. In both the executive and legislative branches of our Government, the adaptation of our procedures to the demands of modern life has often been irksome and difficult. However, it is proof of the stability of our democratic institutions that we have met the challenge.

It is interesting that in our international affairs democracies such as ours can also adjust their institutional relationships to meet new demands. The joint Brazil-United States committee for economic development is to my mind an interesting and historic experiment in international cooperation. Your Congress and ours have done much to bring into practical reality the work and plans of this committee. I shall continue to follow with deep interest your deliberations here as you put into effect further measures to effectuate the purposes of our economic cooperation.

gigantic effort throughout the world today is the right of people, through their chosen representatives, to determine their own system of government and to achieve their aspirations. We are striving to defend the dignity of each member of society and respect for all opinions which respect the law. Our struggle is to demonstrate the truth that, by honest and sincere reconciliation of differing opinions—and not by promoting strife, can we best maintain peace and achieve the true advancement of human life which we all seek.

In this effort the people of Brazil and the United States are inevitably joined. May their long record of friendly cooperation be crowned with greater achievement. May they grow in understanding and appreciation of each other through their artists, writers and musicians, their scholars and statesmen.

And finally, may their friendship serve to

strengthen throughout America and in other continents the efforts of nations to preserve their freedom and to secure their opportunity of creating a better world.

## GROWING STRENGTH OF THE FREE WORLD

Press release 537 dated July 7

In the few hours since my arrival in São Paulo I have had the pleasure of catching hurried but tantalizing glimpses of your beautiful and impressive city.

I had heard that São Paulo has grown faster than any city in the hemisphere; that it is the center of the most rapidly expanding industrial area in South America. Now I have seen the reality. My imagination has been aroused by the dynamic spirit of the citizens of this progressive city and state.

As I have gone in the last 2 weeks from Washington to London, to Berlin, to Vienna, on to Recife, Rio, and now to your beautiful city, there have been vivid contrasts and important and marked similarities in the peoples I have seen on their streets. I started in my own country, whose roots go back to the Old World. Now coming to this country, new as it is to me is like coming home. I come back to a land which also has its origin in the Old World. It is apparent that Paulistas, like citizens of the United States, have had fathers and grandfathers from many countries of Europe.

Each city I visited presented clearly its own brand of courage, determination, and ways of meeting the future and the dangers we face together. In Europe it was the stern determination and courage to maintain the defense against manifest and close dangers, and the new vision of cooperation among the free countries there. Here in São Paulo, I feel the surging energy of a new country, which, like my own, has confidence in its ability to provide for the future, to provide a great flow of material goods and the great inspiration of firm belief in freedom and the dignity of man.

I deeply appreciate the courtesy of the kind invitation extended to me by your distinguished Foreign Minister and the warmth of your Excellency's welcome. Mrs. Acheson and I have almost been overwhelmed by the many courtesies shown us in Recife, Rio de Janeiro, and São Paulo.

Calling my brief period among you a courtesy visit, as the press has frequently done, is an inadequate description. I have come to Brazil with a much more serious purpose than just to accept your gracious hospitality, which I deeply appreciate. I am here because I wanted to see Brazil with my own eyes. I wanted to know firsthand what it is in your great country which has destined it to play an exceedingly important role in the history of our times.

Development such as is occurring here is not an accident. It is the result of effort, of intelli-

gently directed will. All worth-while achievements mean overcoming obstacles.

What has impressed me most is to realize more fully than ever before that Brazil, like my own country, has come of age among the great nations of the world.

We in the United States know full well what coming of age means to a country, for it has occurred during the lifetime of my generation. In the world of yesterday, the world of my youth, we in the United States were almost exclusively absorbed in our own domestic problems. We had many ties with the countries from which our ancestors had come. But we were only mildly interested in the ebb and flow of events in those distant lands. This was because we felt ourselves secure, protected by two broad oceans. Behind those great barriers we devoted ourselves with industry to developing the riches that nature has so generously bestowed upon us.

### **Shock of World Wars, Depression**

That happy feeling of self-sufficiency was rudely shaken by the outbreak of World War I. At first we considered it no concern of ours. But gradually, as the bitterness of the struggle deepened, we realized that something more fundamental than dynasties and frontiers was at stake. Both Brazil and the United States were drawn into the conflict.

We had not, however, come of age, and when victory came we withdrew into our own life again, feeling that we had helped restore conditions which would permit us to live as we had before. That illusion did not last long. It was with something like amazement that my fellow countrymen woke up to the fact that the failure of a great bank in Austria in the heart of Europe could set in motion repercussions which gravely affected all the world. The great depression respected no frontiers. Still we, like most other countries, sought purely national solutions to the problems with which we were faced. We had not yet come of age.

In 1939 there was another tremendous shock, World War II. No one in my country viewed it as remotely as at first we had regarded the catastrophe of 1914.

Nevertheless, it seemed remote; and we clung to the illusion that it might, with luck, remain localized. This was not to be. Again the New World, with Brazil and the United States in the van, was called upon to play a saving role in the history of our times.

When victory was finally won at great cost to all, the democratic world was determined that such a catastrophe should not occur again. To prevent such a tragedy, the United Nations was created, and we and our Allies rapidly demobilized our great armies, navies, and air forces. We thought the world had learned its lesson and that

we could devote the resources which had gone into armaments to more constructive purposes, purposes near our hearts.

I said that we and our Allies disbanded our armies. That, unfortunately, was not entirely true. One great country remained fully mobilized and used the threat of its might to bend one of its neighbors after another to its will. It proclaimed to the world a philosophy of government which we found repugnant. Nevertheless, we did not challenge its right to do what it chose within its own frontiers. We were willing to follow a policy of live and let live.

### **Free Countries Must Mobilize**

It soon became apparent that even this imperfect adjustment was impossible and that the free countries must mobilize their strength.

With that realization we started upon a program of strengthening ourselves and other free nations of the world, in order that, acting together, we could safeguard our liberties and our civilization. Only through the creation of collective strength could we hope to preserve the peace and safeguard our liberties and our civilization.

The building of the strength of the free world is progressing. In my visit to Brazil I have seen a great country which in the crisis of our century has joined its strength with that of those who hold liberty and freedom to be dear.

I am impressed by the elements of strength I have seen here in São Paulo. Your fine buildings, your forest of factory chimneys, the manhood in your armed forces are impressive.

But, still more important is the will, the determination, I find in Brazil to preserve liberty and freedom as the principal aim in life. Do not think that I minimize the importance of material achievement. What you, and we, and our many partners of the free world have created in factories, and farms, and mines provides the sinews of our strength. If we lacked that strength, firm resolution alone would not avail us.

The leaders of the democratic world have as one of their first duties the improvement of the living standards of their peoples. Life must not only be made tolerable for the common man but it must be progressively improved. His faith that his leaders have this as their aim of government is what gives democracy its vitality. His belief in democracy is based on the knowledge that only through such a system of government will a better life become possible for him and his children.

The achievement of that better life is one of the bases for our technical cooperation program, commonly called Point Four. Cooperation is and must be the watchword of our democratic world if it is to survive.

My coming here has given me the opportunity to see how cooperation between our two countries is working and how it can be improved. The



areas in which we work together to our mutual benefit, and to the benefit of the world, must continue to expand.

There are those who are determined to prevent the democratic world from uniting in cooperative undertakings for its own security and development. A strong and united free world is a barrier to their ambition to dominate larger and larger areas. Where they cannot hope to dominate, they work steadily to weaken. In the New World their principal weapon is to sow seeds of discord and distrust in our inter-American family. They accuse my country falsely of what they secretly seek for themselves, domination of others. Specifically, they do their best to convince you that you cannot trust the United States. They are equally strident in their efforts to convince other countries not to trust you.

We should be simple-minded indeed if we permitted this unremitting campaign of slander and calumny to achieve its nefarious purpose. We must not let malicious enemies poison our minds against one another.

The purposes of your country and mine are clear. We want peace with freedom and justice. We do not threaten anyone. We build situations of strength because we must. We do this because only strength will permit us the blessings of peace.

Ladies and gentlemen, last week, when I had breakfast in Africa and lunch in Recife, the smallness of today's world was brought home to me. The contraction of our world must be followed by a shrinking in all those things that used to separate us in mind and in spirit. We are more necessary to one another now than ever.

It is in a sense symbolic that the last day of my visit is spent in São Paulo. People from many diverse lands have shared in the progress of this dynamic city and state. I share with you the trust in your limitless future which you have inspired in me.

## **Puerto Rican Constitution Signed**

### *Statement by the President*

White House press release dated July 3

I have today signed H. J. Res. 430, approving the Constitution of the Commonwealth of Puerto Rico, which was adopted by the people of Puerto Rico on March 3, 1952.

I welcome this early approval by the Congress of the Constitution of the Commonwealth of Puerto Rico, which I recommended in a Special Message on April 22, 1952.<sup>1</sup>

<sup>1</sup> BULLETIN of May 5, 1952, p. 721.

The adoption of this Constitution was authorized by the act of July 3, 1950. It is gratifying to me to be able to sign the act approving the Constitution of the Commonwealth of Puerto Rico two years to the day after I approved the enabling legislation.

The act of July 3, 1950, authorized the people of Puerto Rico to organize a republican form of government pursuant to a constitution of their own choosing. That act, adopted by the Congress in the nature of a compact, became effective only when accepted by the people of Puerto Rico in a referendum.

On June 4, 1951, the people of Puerto Rico voted by a large majority to accept the act of July 3, 1950, thereby reaffirming their union with the United States on the terms proposed by the Congress. Following the referendum, the voters of Puerto Rico elected delegates to a Constitutional Convention. The Convention convened in San Juan on September 17, 1951, and concluded its deliberations on February 6, 1952.

The Constitution approved by the Constitutional Convention was submitted to the people of Puerto Rico in a referendum on March 3, 1952, and was approved by an overwhelming majority. On April 22, 1952, I transmitted the Constitution to the Congress for approval in accordance with the provisions of the act of July 3, 1950. The Constitution will now become effective upon the acceptance by the Constitutional Convention of the conditions of approval and the issuance of a proclamation by the Governor of Puerto Rico.

H. J. Res. 430 is the culmination of a consistent policy of the United States to confer an ever-increasing measure of local self-government upon the people of Puerto Rico. It provides additional evidence of this nation's adherence to the principle of self-determination and to the ideals of freedom and democracy.

We take special pride in the fact that this Constitution is the product of the people of Puerto Rico. When the Constitution of the Commonwealth of Puerto Rico is proclaimed by the Governor, Puerto Rico will have a government fashioned by the people of Puerto Rico to meet their own needs, requirements and aspirations.

With the approval of H. J. Res. 430, the people of the United States and the people of Puerto Rico are about to enter into a relationship based on mutual consent and esteem. The Constitution of the Commonwealth of Puerto Rico and the procedures by which it has come into being are matters of which every American can be justly proud. They are in accordance with principles we proclaim as the right of free peoples everywhere. July 3, 1952, should be a proud and happy day for all who have been associated in a great task.

## **U.S., U.K., France Propose Four Power Meeting To Discuss Commission on German Elections**

*The Governments of the United States, the United Kingdom, and France, through their respective Embassies at Moscow, on July 10 delivered identical notes to the Soviet Ministry of Foreign Affairs in reply to the Soviet note of May 24 concerning Germany. Texts of the United States and Soviet notes follow:*

### **U.S. NOTE OF JULY 10**

Press release 543 dated July 10

In its note of May 13<sup>1</sup> the United States Government made various proposals in the hope of facilitating four power conversations which could lead to the unification of Germany and to the negotiation with an all-German Government of a German peace treaty. It observes with regret that the Soviet Government in its note of May 24 does not answer these proposals. The United States Government fully maintains the views and proposals in its note of May 13. On this basis it wishes in its present note primarily to concentrate attention upon the immediate practical problem of the procedure for setting up, through free elections, an all-German Government with which a peace treaty can be negotiated.

In its note the Soviet Government once more proposes simultaneous discussions on a peace treaty, the unification of Germany, and the formation of an all-German Government. For its part, the United States Government maintains its position on this question, namely, that an all-German Government must participate in the negotiation of a peace treaty, and that, therefore, before undertaking such negotiations Germany must be unified and an all-German Government established. Unification of Germany can be achieved only through free elections. The essential first step is obviously the determination that conditions necessary for such free elections exist. The second step would be the holding of those elections.

<sup>1</sup> BULLETIN of May 26, 1952, p. S17.

In regard to the first step, the United States Government proposed in its note of May 13 that an impartial Commission should determine whether there exist throughout Germany the conditions necessary for the holding of free elections. While pointing out the great advantages of using the United Nations Commission, the United States Government nevertheless offered to consider any other practical and precise proposals for an impartial Commission which the Soviet Government might advance. The Soviet Government advances no such proposals and limits itself to maintaining its position on the appointment of a Commission to carry out this verification by agreement among the four Powers. It is not clear to the United States Government whether the Soviet Government considers that the Commission should be composed of representatives of the four Powers or merely that the four Powers should agree on its composition, and the United States Government would be pleased to receive clarification on this point. The United States Government remains convinced that a Commission composed solely of nationals of the four Powers would be unable to reach useful decisions since it could only reflect present differences of opinion among the four Powers as to conditions existing in the Federal Republic, in the Soviet Zone and in Berlin. The United States Government considers that if the Commission is to carry out its work effectively, it should be composed of impartial members, should not be subject to veto or control by the four Powers and should be empowered to go freely into all parts of Germany and investigate conditions bearing on the possibility of holding free elections.

In regard to the second step, the United States Government similarly proposed that as soon as the Commission's report was ready there should be a meeting of representatives of the United States, French, Soviet and United Kingdom Governments to discuss the early holding of free elections throughout Germany, including the creation where necessary of appropriate conditions. The United States Government maintains this proposal to which the Soviet Government has not yet replied.

The United States Government repeats what it has stated in paragraph 8 of its note of May 13: "Such free elections can, however, only be held if the necessary conditions exist in all parts of Germany and will be maintained not only on the day of voting, and prior to it, but also thereafter."

The United States Government further proposed to examine at this same meeting the assurances to be given by the four Powers that the all-German Government formed as a result of these free elections will have the necessary freedom of action during the period before the peace treaty comes into effect. It is the understanding of the United States Government that the only concrete proposal envisaged by the Soviet Government is that the all-German Government must be guided by the Potsdam decisions. This would mean the reestablishment of the quadripartite system of control which was originally designed to cover only "the initial control period." An arrangement of this kind would revive a system of control which proved to be impracticable and would, moreover, ignore the whole evolution of events in Germany in recent years. A German Government subjected to such control would in practice enjoy no freedom in its relations with the four Powers and would not be in a position to participate freely with the four above-mentioned Governments in the negotiation of a peace treaty.

The United States Government also observes with concern that while the Soviet Government in its notes repeatedly reaffirms its desire for the unification of Germany, it has recently adopted without any justification a series of measures in the Soviet Zone and in Berlin which tend to prevent all contact between the Germans living in the territory under Soviet occupation and the 50 million Germans in the Federal Republic and in the Western sectors of Berlin. These measures aggravate the arbitrary division of Germany. The United States Government wishes to emphasize that the agreements recently signed with the Federal Republic open up to Germany a wide and free association with the other nations of Europe. The United States Government cannot, as it has already emphasized in its note of May 13, admit that Germany should be denied the basic right of a free and equal nation to associate itself with other nations for peaceful purposes. Furthermore, these agreements reaffirm the determination of the three Powers and the Federal Republic to promote the unification of Germany, and expressly reserve the rights of the three Powers relating to a peace settlement—a peace settlement for the whole of Germany to be freely negotiated by the four Powers and the all-German Government.

In order to avoid further delay, the United States Government, in concert with the French Government and the United Kingdom Government, and after consultation with the German Federal Government and with the German

authorities in Berlin, proposes that there should be an early meeting of representatives of the four Governments, provided it is understood that the four Governments are in favor of free elections throughout Germany as described in paragraph 4 of the present note, and of the participation of a free German Government in the negotiation of a German peace treaty. The purpose of this meeting would be to reach agreement on the first question which must be settled if further progress is to be made, namely, the composition and functions of the Commission of investigation to determine whether the conditions necessary for free elections exist. The United States Government proposes that the representatives discuss:

A. The selection of members of the Commission in such a way as to insure its impartiality.

B. The functions of the Commission with a view to insuring its complete independence to make recommendations to the four Powers.

C. The authority of the commission to carry out its investigation in full freedom and without interference.

In order that free elections can be held it will also be necessary to reach agreement on the program for the formation of an all-German Government, as proposed in paragraph 11 (iv) of the United States Government's note of May 13. The United States Government therefore repeats that proposal for the discussion of these further important issues by representatives of the four Powers. When such agreement is reached it will then be possible to proceed to the unification of Germany.

Since the Soviet Government has repeatedly expressed its desire for an early meeting in preference to continued exchanges of notes, the United States Government trusts that the present proposal will commend itself to the Soviet Government.

#### SOVIET NOTE OF MAY 24

[Unofficial Translation]

In connection with the note of the Government of the United States of America of May 13 of this year, the Soviet Government finds it necessary to state the following:

1. Concerning the urgency of a decision of the German question and the delaying by the Western Powers of the exchange of written communications on this question:

In its note of March 10, 1952,<sup>2</sup> the Soviet Government proposed to the Governments of the United States of America, Great Britain, and France that they examine together the question of the conclusion of a treaty of peace with Germany and of the establishment of an all-German Government. In order to facilitate and expedite

<sup>2</sup> *Ibid.*, Apr. 7, 1952, p. 531.

preparation of a treaty of peace with Germany the Soviet Government put forward its draft of this treaty, expressing at the same time its readiness to consider other possible proposals on this question. The Soviet Government considers it necessary to solve this question immediately, being guided by the interests of the strengthening of peace in Europe and the necessity of satisfying the legitimate national demands of the German people.

Inasmuch as there was advanced in the reply of the Government of the United States of America of March 25<sup>3</sup> in connection with the question concerning the formation of an all-German Government a proposal for the study of conditions existing for the conduct of general elections in Germany, the Soviet Government in its note of April 9 agreed with this proposal, insisting, however, that the study in question should be conducted, not by a commission of the United Nations Organization, which is not competent to deal with the question of the making of peace with Germany, but an impartial commission of the Four Powers exercising the occupational function in Germany. At the same time, the Soviet Government once again proposed to the Government of the United States of America and likewise to the Governments of Great Britain and France that the consideration of a treaty of peace with Germany should no longer be postponed and likewise the question of unification of Germany and the creation of an all-German Government.

Notwithstanding the fact that the Soviet Government accepted the proposal of the Government of the U.S.A. for verification of the presence of conditions for conducting in Germany free general elections and the proposal of the Soviet Government for appointment of a commission for conducting this verification by agreement between the Four Powers guaranteeing the objectivity and impartiality of the commission in question, the decision on the question concerning the peace treaty with Germany and the unification of Germany as demonstrated by the note of the Government of the United States of America of May 13 is again postponed for an indefinite period. It is evident from this note that the Government of the U.S.A. is also unwilling to agree that the Four Powers proceed to the examination of these questions without further delays.

In view of this the Government of the U.S.A. in its note of May 13 advanced a whole series of new preliminary conditions which it had not advanced in its note of March 25 and about which it now proposes to negotiate by means of a continuation of the exchange of notes before proceeding to direct negotiations. Thus, in its note of May 13 the Government of the U.S.A. proposes before the beginning of direct negotiations that agreement be reached "concerning the framework of negotia-

tions and concerning the basic problems to be taken under consideration" and likewise to continue the written exchange of communications concerning the composition and functions of the commission for verification of the conditions in Germany for general elections, etc.

### **U.S. Blamed for Delays**

All these facts make evident that the Government of the U.S.A. is continuing to delay the conclusion of a treaty of peace with Germany, a decision on the question of unification, and also the establishment of an all-German Government. Only this could explain the fact that in its note of May 13 the Government of the U.S.A. introduced a whole new series of questions for the prolongation of the exchange of notes which, apart from this, has already dragged on for several months, instead of the Four Powers proceeding to direct negotiations and beginning the joint consideration of a peace treaty with Germany and with all the related questions.

In these circumstances the opinion cannot fail to be strengthened in Germany as well as beyond its borders that the Government of the U.S.A. in reality is not aiming at the conclusion of a peace treaty with Germany and putting an end to the division of Germany. But without the conclusion of a peace treaty and the unification of Germany a fully equal German Government cannot be restored, a German Government both independent and in full possession of rights and expressing the genuine will of the entire German people.

### **Agreements With Bonn Government**

2. Regarding separate agreements of the Western Powers with Western Germany and their attempts to avoid conclusion of a peace treaty with Germany:

The Soviet Government considers it necessary to direct special attention to the fact that, simultaneously with the extended exchange of notes, the Government of the U.S.A., together with the Governments of Great Britain and France, is conducting separate negotiations with the Bonn Government of Western Germany regarding the conclusion of the so-called "general" contract. Actually this is in no way a "general" contract but a separate treaty which is falsely called "general" in order to deceive the people. Thus the Potsdam Agreement by which the responsibility for the preparation of a peace treaty with Germany was placed upon the Four Powers—the United States of America, Great Britain, France, and the U.S.S.R.—was flagrantly violated.

Despite the secret character of the negotiations carried on with the Bonn Government and despite the fact that the full text of this separate agreement until now has not been published, from the information which has appeared in the press the

<sup>3</sup> *Ibid.*, p. 530.

contents of this separate treaty have become known already. From these facts it is evident that the peace treaty prepared by the Governments of the U.S.A., Great Britain, and France with West Germany in no way has as its aim the extension of freedom and independence of Western Germany. Together with formal abrogation of the Occupation Statute, this treaty preserves the regime of factual military occupation, keeping West Germany in a dependent and subservient status with regard to the Governments of the U.S.A. and of Great Britain and France.

In addition, by means of the conclusion of this separate treaty with West Germany, the Governments of the U.S.A., Great Britain, and France legalize the re-establishment of the German Army headed by Hitlerite generals, which means that they open the way to the re-establishment of aggressive West German militarism. Actually this treaty is an open military alliance of the U.S.A., Great Britain, and France with the help of West Germany by means of which the German people are drawn by the Bonn Government into preparations of a new war.

Moreover, the Governments of the U.S.A., Great Britain, and France achieve the inclusion of West Germany into the group of powers created by them under the name of "European Defense Community": France, West Germany, Italy, Belgium, Holland, and Luxembourg. This self-styled "European community" is supposed to become an integral part of the North Atlantic bloc and the great and so-called "European army" into which should go the presently created German armed forces in West Germany. It is quite obvious that the aim of the creation of a "European community" and "European army" is not only to legalize the remilitarization of West Germany, as is taking place in fact, but also to include West Germany in the aggressive North Atlantic bloc.

### Support for "Revanchists" Charged

It is known to all that in recent times the Government of the U.S.A. has attempted to hasten by all means the conclusion of a separate treaty with West Germany as well as the inclusion of West Germany into the "European community." Likewise it attempts not only definitively to separate from but to oppose one portion of Germany to the other. This means that the Government of the U.S.A. is interested not in the unification of Germany and not in a peace treaty with Germany but, by means of the new separate agreement, more strongly than before to tie Western Germany and the Western German army now created with the North Atlantic bloc of powers, which is incompatible with the possibilities of a peaceful development in Europe.

All this shows that at the present time an agreement is taking place between right-wing revanch-

ist circles of Western Germany and the North Atlantic group of powers. This agreement can be based only on the support of the revanchist aspirations of the Bonn Government of Adenauer, which is preparing to unleash a new war in Europe. The restoration now of a West German army under the leadership of Fascist Hitlerite generals can only serve the aggressive aims of the German revanchists. On the other hand, the inclusion of West Germany in the so-called European army, and consequently in the army of the North Atlantic bloc, even more underlines the aggressive character of the whole North Atlantic group.

In the light of these facts, no one can believe that the presently created "European community" and "European army" can represent "a path to peace" as is stated in the American note of May 13. The real meaning of the agreement of the North Atlantic bloc with the government of Adenauer can comprise only the further strengthening of the aggressive character of the North Atlantic group of powers presently striving for the direct union with the German revanchists who represent the most aggressive circles in Europe.

The conclusion with the Bonn Government of West Germany of agreements such as the above-mentioned separate treaty or agreement regarding the "European community" places upon this part of Germany new obligations strengthening its dependence on the Occupying Powers and creating new difficulties for unification with the Eastern part of Germany which is not tied by such obligations and is developing in conditions favorable to national unification of Germany into a unified independent democratic and peace-loving state. The desire of the Government of the U.S.A. to conclude as soon as possible the above-mentioned separate agreement with West Germany at the same time that negotiations regarding a peace treaty and unification of Germany again and again are postponed means that it intends by means of the mentioned separate agreements to confront the German people with a *fait accompli*: The German people will be confronted with the fact of the remilitarization of West Germany and the retention of Occupation troops in West Germany. And there will presently arise insurmountable obstacles in the path of the conclusion of a peace treaty and the unification of Germany.

However, it is not possible on the one hand to make statements about recognition of the necessity of a peace treaty and the unification of Germany and on the other to do everything to make difficult and to impede the conclusion of a peace treaty with Germany and the restoration of a unified German state. This leads to the undermining of any kind of confidence toward the dual policy of such powers and places the German people in the necessity of seeking its own way to a peace treaty and national unification of Germany.

3. Proposal of the Soviet Government: Despite the presence of disagreement regarding the peace treaty with Germany and also the unification of Germany and the formation of an all-German Government, the Soviet Government again proposes to the Government of the U.S.A. and also to the Governments of Great Britain and France to enter into joint discussion of these questions and not to permit extended delay in this matter.

Continued review of these questions by means of further exchange of notes cannot produce the results which might be achieved by direct negotiations and can only make achievement of agreement more difficult. Meanwhile, further delay of decision of the question of a peace treaty and unification of Germany cannot fail to arouse legitimate dissatisfaction of the German people, even overlooking the fact that delay in this matter is contradictory to the interests of the establishment of normal and permanent relations between Germany and neighboring states as well as the interests of strengthening of general peace.

The Soviet Government proceeds on the principle that in working out a peace treaty with Germany the Government of the U.S.S.R. as well as the Governments of the U.S.A., Great Britain, and France will be guided by the provisions of the Potsdam Agreement, particularly in the question of the boundaries of Germany as was mentioned by the Soviet Government in its note of April 9.<sup>4</sup>

As regards the all-German Government and its powers, it is understood that this Government also must be guided by the Potsdam provisions and also, after conclusion of the peace treaty, by the provision of the peace treaty which serves the establishment of a permanent peace in Europe. In this connection, the Soviet Government continues to consider it the inalienable right of the German people to have its own national armed forces necessary for the defense of the country without which it is impossible to decide the question of the powers of the all-German Government in a just and proper fashion.

Proposing to enter into direct negotiations urgently regarding a peace treaty with Germany and the formation of an all-German Government, the Soviet Government proceeds also from the fact that no separate agreement of one or another part of Germany with governments of other states can impose any kind of obligations and that the all-German Government which will have signed the peace treaty will possess all the rights which the governments of other independent sovereign states possess.

<sup>4</sup> *Ibid.*, May 26, 1952, p. 819.

Press release 547 dated July 11

Prince Abdullah Faisal, grandson of King Ibn Saud of Saudi Arabia and Minister of Interior and Public Health of that country, arrived in the United States July 13 on an unofficial visit to study American techniques, knowledge, and skills in the fields of land reclamation, irrigation, police methods, education, and public health. He will visit selected areas where projects are in operation under conditions approximating those in his homeland.

Abdullah's father is the second son of the Saudi Arabian King and is Minister of Foreign Affairs of the country.

The Saudi Arabian Government is interested in advancing the standards of living of its people to a level commensurate with the country's recently increased income from oil production.

After visits to various institutions in the Washington area where American methods in maternal and child care will be demonstrated for the benefit of the Prince and his party, the visitors will inspect the public health system at Carville, La. From there they will move on to El Paso and Santa Fe to view activities in the field of public health where the problems in arid areas approximate those found in Saudi Arabia.

To study projects in the field of natural resources, Prince Abdullah Faisal will visit power and irrigation operations where emphasis is placed on the conservation and maximum utilization of water resources. These will include the irrigation and development of the El Paso and Santa Cruz areas of the Rio Grande and the Salt River Valley projects at Phoenix. From Phoenix the Prince and his party will go to California where he will be given a brief view of the work being accomplished in American penal institutions.

Under the Point Four agreement between the United States and Saudi Arabia, which became effective January 17, 1951, technical "know how" is furnished in the country's effort to improve economic and social conditions. Saudi Arabia furnishes housing and travel expenses for the American technicians as well as all other items incident to each project.

Recently the Technical Cooperation Administration finished a study of Saudi Arabia's monetary and fiscal systems. The report from this study resulted in the establishment by the King of a Central Fiscal Agency under the management of an American financial expert.

## U.S. Problems and Accomplishments in the Far East

by *John M. Allison*  
*Assistant Secretary for Far Eastern Affairs*<sup>1</sup>

Just 100 years ago Commodore Perry was making preparations for his eventful voyage to Japan which resulted in the opening of that great country to intercourse with the rest of the world. It was also just about 100 years ago that Seattle was founded. The developments which have taken place in the last 100 years in Asia and on the Pacific Coast of the United States have been of far-reaching significance, and it is a special pleasure to talk with you people who have grown up with a traditional interest in the Pacific and the affairs of Asia.

During the past 100 years we have seen the progress of China to a point where it was accepted in the councils of the world as one of the five great powers, and we have then seen the domination of the mainland of China by Communist hordes, who have for all practical purposes turned their back on the peoples and governments of the West who had done so much to help China reach its high position. We have seen Japan grow from a small island country, hardly known except to a few brave sailors, merchants, and missionaries, to one of the great military powers of the world able to challenge even the strongest, and we have seen that power abused in such a manner as to bring disaster to Japan. But we have also seen the Japanese people rise from defeat and create with Allied help a new Japan which has recently signed a treaty of peace with 48 countries and which is now launched on a new course of peaceful cooperation with the nations of the free world. We have seen many new small nations who for years were under the domination of Western powers achieve their independence and freedom, and we have watched them take their places in the councils of the world.

While these changes have on the whole been progressive and in a direction which we all have

desired, nevertheless they have created many problems and have greatly complicated the life of all of Asia. In most recent years, particularly since the end of the late war, these profound changes in Asia have proceeded almost at a gallop, and they have naturally resulted in a certain political and economic instability. The older patterns of economic life have often been disrupted, and the influence of an alien, but usually efficient bureaucracy, has given way to governments administered to be sure by Asians themselves but who in many cases have not had the experience and training usually deemed necessary to carry out such responsibilities. This lack of political and economic stability, complicated by the ravages of the recent war which destroyed much of the economic potential of many of these countries, could perhaps have been surmounted with relative ease if it had not been for the introduction of another complicating factor—the influence of militant communism. While the interest of world Communist leaders in Asia is of long standing, it has taken its most aggressive form in recent years. Almost 30 years ago, in his lectures on the foundations of Leninism, Stalin pointed out that “the road to victory of the revolution in the West lies through the revolutionary alliance with the liberation movement of the colonies and dependent countries against imperialism.” And as early as 1918 he wrote an article, the title of which makes clear his interest—it was “Do Not Forget the East.” And you will all recall that soon after the Russian revolution one of the first acts of the Communist leaders was to set up in Moscow, for students from all over Asia, the University of Toilers of the East and the Sun Yat Sen University. These two specialist institutions have been constant reservoirs of Communists trained for work in Asia.

This early interest has received renewed stimulation in recent years. The Communist leaders have made no secret of their interest or their plan.

<sup>1</sup>Address made before the Institute of International Affairs at the University of Washington, Seattle, on July 1 and released to the press (no. 503) on the same date.

As recently as the 9th of last December in an article on China and the lessons of China for revolution in colonial territories which appeared in the *Moscow University Herald* of that date, the blueprint of revolution was set out.

Here it is:

First, incite nationalism, which is inherent in all races. Second, promote a national "united front" including if necessary vacillating bourgeois political parties.

Third, let the working class and its political party, the Communist Party, seize leadership of the United Front.

Fourth, form an alliance of the working class and the peasantry, led by the Communist Party.

Fifth, the Communist Party takes complete control, ousting the others.

Sixth, remember that true national independence can be achieved only in unity with the Soviet Union. There is no third, middle, or neutral road. The choice is between the camp of imperialism on the one hand and the camp of socialism and democracy [in the Communist sense] on the other hand.

Seventh, form powerful "Peoples' Liberation Armies" under the leadership of the Communist Party. Identify the struggle of the masses with the armed struggle which is the chief activity in "colonial" national liberation movements.

The wars which result from the implementation of this Communist program are claimed by the Communist leaders to be either civil wars or "just" wars and therefore this incitement to war is not considered as being against the teachings of the Soviet "peace campaign." It should be pointed out that when the Communists speak of "colonial countries" they do not only mean colonies in the normal sense but all Asian countries, independent or not, which are on friendly terms with the West and therefore regarded by the Kremlin as "puppets of the West." Point six in the above program is especially important. It says specifically that "there is no third, middle, or neutral road." It is the Communists themselves who say that there is no room for "coexistence" of neutralism.

### Meeting the Situation

In meeting this situation in Asia, the United States is proceeding by means of three approaches—military, economic, and political. We are convinced that no single one of these three approaches is sufficient. All must go together. In some places it is necessary to emphasize the military, in others the political, and in still others the economic. But in every case our objective is the same—to help in the creation in the free countries of Asia of strong, stable governments which can play their part in cooperation with the rest of the free world in building for peace.

Let us look first at what we are doing in the military field, and this, of course, brings us first of all to Korea. Some short-sighted persons have called our action in Korea "useless," and there is considerable understandable impatience at the long-drawn-out struggle going on in that peninsula. But, before we make up our minds that

the sacrifices made in Korea by many brave men have been useless, let us consider what they have accomplished. We must remember that it was not the Republic of Korea, it was not the United States, nor was it the United Nations which started the fighting; but it was the Republic of Korea, the United States, and the United Nations which stood up to aggression and beat it back.

Today, the aggressors have been thrown back beyond the point from which they started. It is the Communists who have utterly failed in achieving their objectives in Korea. They have lost well over a million trained soldiers and enormous quantities of matériel. North Korea has been devastated and for years to come will be an economic liability with nothing to compensate for this destruction. One of the most important results of the Communist aggression in Korea has been the action of the United Nations. For the first time in modern history, an international organization has shown that not only can it be effective in times of peace but that it can and will resist aggression. The League of Nations was never able to accomplish this. A real forward step has been made in development of a world organization determined that aggression shall not prosper.

In addition to meeting the aggression itself, the United States is helping to create a strong Republic of Korea Army which, when the present fighting is over, will eventually be able to insure that the leaders of the Republic of Korea have the opportunity to carry out the constructive tasks of peace.

### Steps for Reconstruction of Japan

In Japan we face a situation of extreme difficulty. The end of the war saw Japan's former great empire torn from her, its military machine dismantled, and its people, disillusioned by the former domination of the military, reluctant, even in their own defense, to see the re-creation of any sort of military machine. With the coming into force of the peace treaty and the disappearance of Occupation rights and duties the people of Japan would, for all practical purposes, have been left defenseless if some special measures had not been taken to meet this problem.

Any consideration of the future of Japan must take into consideration its strategic situation and its relationship to the present power situation in Asia. As I have said before in other talks on this subject, it would be pleasant to ignore the question of power relationships and to consider only what would be wise and desirable from the moral, political, and economic viewpoints. Unfortunately, we cannot ignore the problem created by a change in the balance of power in the Far East any more than elsewhere in the world. An astute scholar has recently said that statesmen who profess not to believe in the "balance of power" are like scientists who do not believe in the law of gravity.



So if we are to consider the future of Japan and our policy toward it as it emerges from a disastrous war and 6 years of Occupation, we must consider the effect of the present power situation in Asia. This is particularly acute because of the completely unarmed position in which Japan finds itself off the coast of Asia where Communist aggression has been most active. In fact, there is reason to believe that the outbreak of this Communist aggression was at least partially due to the unarmed condition of Japan and the belief of the aggressors that domination of the Korean peninsula would make more easy the ultimate domination of Japan with its great industrial base and industrially trained population.

In an effort to help in meeting this situation, the United States concluded with Japan a mutual security treaty providing for the retention in Japan of American forces for the defense of Japan from external aggression. It was made clear to the Japanese Government and people that it was their choice as to whether or not they wished to continue this association with the United States. It was not an easy choice for Japan. It is never easy for a proud and vigorous people to rely on others for their defense or to welcome into their country troops of an alien power.

At some point Japan must decide in what manner she wishes to contribute to her own self-defense, but, until such time as this decision is made and means are found to implement it, the United States will have to carry the major burden of the defense provided for in the treaty which it is believed will contribute to the true long-term good of both countries and the peace of the whole Pacific area. Whether this association will succeed, only time can tell. It will be most difficult for all. Not only is this an association between peoples who have recently been at war with each other but it is an association between peoples of different races, different cultures and backgrounds. If we can succeed, as we mean to do, in making this pact between a Western and an Asiatic country a real and living force for peace, on a basis of partnership and equality, we shall have done as much as any other single thing toward cutting the ground from under Communist propaganda, which only sees in such a relationship an effort by the West to reassert its domination over the East.

### **Military Problem of Indochina**

There is another area in Asia which is faced with an acute, immediate military problem and that is Indochina, where the three Associated States of Vietnam, Laos, and Cambodia are, in cooperation with France, fighting in another sector of the war against Communist aggression. This war has been going on for 6 years, during most of which France stood alone. But now we are helping on a substantial scale. Only a short

time ago there arrived in Saigon the 150th American ship loaded with materials for the defense effort in Indochina. The main effort of the United States and France in recent months has been to develop national armies in the three Associated States, and, since this decision was taken in November of 1950, there has been created a total of 52 battalions for the three states. As indication of the great progress which the people of the Associated States are making and the great interest they have in developing their own national armies, it is interesting to note that 20 out of 52 battalions have either none or not more than five French officers attached to them. All of the other officers are Vietnamese. The Chief of Staff of Vietnam's national army is a Vietnamese, and in the past year approximately 1,000 new Vietnamese officers were graduated from training schools in addition to substantial numbers of technicians and noncommissioned officers.

A further indication of the increasing share of the responsibility for their own defense which is being borne by the Associated States is the fact that whereas in 1946, 88 percent of the casualties were French and only 9 percent local troops, to date in 1952 the French casualties have been only 17 percent as compared with 52 percent casualties for the troops of Vietnam, Laos, and Cambodia. The other losses have been sustained by supplementary troops from other areas of the French Union not parts of either the French forces or the forces of the national armies of the three states.

Just recently I participated in discussions in Washington with Jean Letourneau, Minister of State in the French Cabinet and responsible for relations with the Associated States of Indochina.<sup>2</sup> There was definite agreement that the United States would not only continue but would increase the amount of aid it was giving to France and the Associated States for the special purpose of assisting in building up these national armies. The United States maintains in Indochina a military advisory group which cooperates with the French and the officials of the Associated States in creating a sound military defense effort.

Indochina has been said to be the key to all of Southeast Asia. It faces a constant pressure not only from the rebels of Viet-Minh but also a threat from some 200,000 Chinese Communist troops poised on its borders who could at any time repeat what Communist troops have done in Korea. The United States has recognized that the struggle in Indochina in which the forces of the Associated States and France are engaged is an integral part of the world-wide resistance to Communist attempts at conquest and subversion and that while the primary role in Indochina rests with the French Union, just as the United States assumes the largest share of the Korean burden, each has an obligation to help the other.

<sup>2</sup> BULLETIN of June 30, 1952, p. 1009.

The other areas of Asia where definite military help is being given both in the form of advice and training through military advisory groups and in the supply of military equipment are Formosa, the Philippine Islands, and Thailand. In none of these areas are we doing as much as we would like to do, but the first priorities have had to go to Korea and Indochina where actual fighting on a large scale is taking place. However, the programs in these other areas are being kept constantly under review, and every effort is being made to speed up the quantity of matériel going forward. In addition to the help in building up the Chinese Government's military defense efforts, we all know that the United States is committed by the terms of President Truman's statement of June 27, 1950, to prevent Formosa from falling into Communist hands. This continues to be our policy. With the Philippines, in addition to agreements on military bases and for a military advisory group, we have recently signed a mutual defense treaty making clear publicly that the United States and the Philippines stand side by side in the defense of peace and freedom in Asia.

Our military program in Thailand is much smaller, but we are working in close cooperation with the officials of this small but important nation, which has a long tradition of independence and is firmly committed against communism, to strengthen its forces so that it can continue to play a significant role.

Through economic measures the United States is seeking to build the strength and unity of the free world in an effort to deter aggression and strengthen the fabric of peace. These economic measures have two aspects, positive and negative. Through the Mutual Security Agency we have provided essential economic aid, and through the imposition of a program of export control by the free nations we are attempting to limit shipments of strategic goods to countries which might be tempted to use them against us. Since 1949 the United States, Canada, and the major trading countries in Western Europe have been cooperating closely in the export control field. This cooperation has developed voluntarily because each has recognized the danger to free-world security of unrestricted exports to the Soviet bloc. With respect to the Far East, controls on the movement of strategic goods from the United States to Communist China have been progressively strengthened since January 1949. The attack on the Republic of Korea resulted in much more stringent trade controls against both North Korea and Communist China. When the Chinese Communists openly intervened in Korea, the United States immediately stopped all exports to Communist China and banned American ships and aircraft from trading operations with the China mainland. A short while later all Communist

Chinese and North Korean dollar assets under U.S. jurisdiction were frozen.

Western European nations likewise instituted controls over trade with Communist China more severe than those over trade with other parts of the Soviet bloc. These controls also apply in the dependent overseas territories of the Western European countries, such as Hong Kong.

In May 1951, the U.N. General Assembly recommended that every nation embargo shipments of arms, atomic energy materials, petroleum, and related strategic items to areas under control of the Chinese Communist and North Korean regimes. As of May 1952 a total of 45 countries had notified the United Nations that they had accepted and were applying the resolution. This has helped to make even more complete the controls over strategic trade with Communist China.

### Economic Measures To Aid Japan

It is important to note that in spite of the formerly great dependence of Japan upon its trade with the mainland of China, Japan has been carrying out a near embargo on exports to that area since the end of 1950.

Many of the basic economic measures necessary to build a strong, stable government in Japan were taken initially during the Occupation. Such measures as land reform, the establishment of proper labor standards, and the dissolution of the largest concentrations of economic control all took place prior to Japan's regaining its freedom under the peace treaty. As Japan resumes responsibility for the conduct of its own affairs, it may be that certain aspects of the measures taken during the Occupation will be found inappropriate or not in keeping with Japan's traditional customs. However, it is believed the Japanese Government and people have demonstrated a real appreciation of the worth of many of these Occupation measures and that they will not lightly alter them, but rather will consider, if necessary, how their spirit and true objectives can be assimilated by the new Japan. At the present time Japan's economic position looks extremely favorable. As compared with a rating of 100 for the base period 1932-36, Japan's industrial production at the end of March 1952 was 145. Japan's foreign-exchange balances reached a postwar high in April 1952 of \$1,106,000,000, more than twice the foreign-exchange balance for the same period a year ago.

In spite of these favorable omens the future of Japan's economy is not secure. Much of the foreign-exchange balance has been due to special procurement in Japan by the United States for goods and services in connection with the fighting in Korea. While such expenditures averaged approximately 30 million dollars a month from July 1950 to February 1952, they have now declined to an average of only 8½ million dollars in the period from March to May this year. A more

accurate picture of Japan's economic situation is obtained by looking at Japan's foreign-trade figures, particularly those regarding trade with the United States. During 1951 Japan's imports from the United States reached a value of 698 million dollars whereas the value of her exports to the United States was only 184 million dollars, leaving an adverse balance of over 500 million dollars. While Japan will continue for a time to earn dollars from the sale of goods and services for use in Korea and as a result of the stationing of U.S. forces in Japan, nevertheless these special sources of income will gradually decrease and eventually come to an end. It is therefore not at all certain that Japan will continue over the years to be in the good position it is today. The Japanese Government is fully aware of this and is studying what measures can be taken to meet this situation.

### **Trade Assistance Necessary**

It should also be remembered in considering Japan's economic situation that many of her industries, because of the destruction of the war and the lack of contact with technological developments in the West over the past 10 years, are not in a favorable competitive position with similar industries elsewhere. One of the ways in which it is hoped the United States will be able to contribute to the economic prosperity of Japan is through arrangements, both private and governmental, for the exchange of technical assistance and information by which advanced American techniques will be made available to the Japanese. Several such arrangements have already been concluded between various Japanese and American concerns, and it is expected that more will be concluded as time goes by.

As indicated above, Japan is imposing controls on its trade with Communist China. There is considerable agitation in Japan at the present time for the removal of such controls. It is believed, however, that the recent decision by British trade firms to withdraw from Communist China has impressed the Japanese with the great difficulties of maintaining any profitable trade with Communist regimes. Japan must trade to live. It is in the highest interest of the United States that Japan be given an opportunity to sell her products to the rest of the world in order that she may develop a strong stable economy to support her position as a constructive member of the free world. The Japanese people can be assured that the American people are conscious of Japan's problems and that the American Government will take all appropriate steps to assist Japan in resuming its rightful place as one of the great trading nations of the world.

In other areas in the Far East we are equally concerned with doing what we can to develop sound economies. Even in the midst of the fight-

ing in Korea we have not lost sight of the economic necessities, and an American mission has recently concluded an agreement with the Government of the Republic of Korea looking toward the stabilization of the economic situation there with particular reference to what can be done to combat a dangerous inflation. We have learned through sad experience that inflation can do as much damage to a country as enemy shells, and we have done what we can to meet this danger in Korea.

In Formosa the Mutual Security Agency has a flourishing operation looking toward the development of the natural resources of that rich island in order to make it more nearly self-supporting. It is receiving the close cooperation of the Chinese Government, and reports of progress during the past year have been most encouraging.

In the Philippines, you will recall that a special economic mission was sent from the United States to that country a little over a year ago, and, as a result of the vigorous action taken by the Philippine Government in carrying out the recommendations of this mission, we have seen surprising economic progress. The Government's deficit dropped to less than 1 million pesos from 154 million pesos the year before. The production of export crops was greatly increased, and while much remains to be done we have reason to have confidence that the Philippines are on the road to the establishment of a stable economic society.

In Indochina we hear usually about the fighting but not about the constructive measures which have been taken. Even in the midst of a war there has been an expansion in production of rubber and rice, and while the export of these commodities is still far below the prewar level, last year they were the highest they have been since V-J Day.

### **Seven Nations Attain Independence**

It is in the political field that perhaps the most conspicuous progress has been made. If there is one matter upon which all of the nations of the Far East are united, it is their desire for national freedom and independence. We still hear criticism of Western imperialism and colonialism, and there are many who would have the United States take a strong stand against its European allies in order to remove such vestiges of colonialism as still remain. But, before we agree wholeheartedly with this stand, it may be helpful to think for a moment of what has happened in the Far East in the few years since the end of World War II. Seven nations with a population of over 600 million have attained independence. These nations were formerly members of the colonial systems of the United Kingdom, France, the Netherlands, Japan, and the United States. This is by no means a negligible achievement. Much remains to be done, but in our impatience let us not forget that much has already been done.

Perhaps the single most constructive achieve-

ment in the political field in the past year has been the negotiation and conclusion of the Treaty of Peace with Japan. After 6 years of Occupation a nation of almost 85 million vigorous, intelligent people has been freed from outside control and allowed to take its place as an equal member of the family of nations. This treaty broke new ground in international relations. We insisted that it should be a liberal treaty—one which would contain promise for the future and not the seeds for future wars. We negotiated this treaty with Japan on the basis of equality—there was mutual give and take. This was not a treaty drawn up in secret by one or two large powers and then presented for the acquiescence of the smaller powers. Rather, over a period of 11 months, through diplomatic negotiations and through trips which took the U.S. negotiators to the capitals of eight countries, all of the powers principally concerned in the settlement of the war with Japan were able to make their contribution to the final settlement. The importance of this treaty to relations between Asia and the West was made clear by Sir Zafrullah Khan, the distinguished Foreign Minister of Pakistan, when at the peace conference in San Francisco he said of the treaty:

It opens to Japan the door passing through which it may take up among its fellow sovereign nations a position of dignity, honor, and equality. . . . It is evidence of a new departure in the relations of the East and the West as they have subsisted during the last few centuries.

In Korea our political aim remains what it always has been—the achievement of an independent, united, and free Korea. I have already told how in cooperation with our friends in the United Nations we have repelled the aggression from North Korea and have thrown the aggressors back beyond the point from which they started. We are now engaged in armistice talks which we hope will put an end to the fighting. If we succeed we shall then proceed to the political stage where we will discuss how to bring about an independent, united, and free Korea, which is our objective. If the armistice talks fail we shall be confronted with a most serious situation, and what we would do in that unhappy event can only be decided when we know all the circumstances which will attend such a failure. There is no profit in speculating at this time as to what the exact nature of our action might be. While the hostilities are still going on in Korea and while we are in the midst of these talks, we have received reports which have given us great concern regarding the dispute now going on between the President of the Republic of Korea and its National Assembly. It is our earnest hope that a mutually satisfactory solution of this dispute will soon be reached through the use of normal constitutional processes. It would be a great tragedy if this dispute should be magnified to the point where it would adversely affect the great effort being made by the United

Nations to bring about a free and independent Korea.

In China we are confronted with perhaps our most serious political problem. There is much dispute but there is also considerable agreement. We know that Communist China is an aggressor, declared so by the United Nations, and that millions of Chinese on the mainland are suffering under the dictatorial and ruthless rule of a group which has turned its back on the finest traditions of China. I believe that in spite of the ruthless regime which now dominates them, the Chinese people do not forget the great feeling of friendship which the American people have historically held—and still hold—for them. This friendship at present can only be shown through the Chinese Government on Formosa. As I have said, the United States is committed to the defense of Formosa from aggression from the mainland, and it is our continuing policy that Formosa not fall into Communist hands. The U.S. Government remains of the opinion that the National Government still represents China. In 96 votes on this question in more than 45 international organizations and meetings under the general auspices of the United Nations and elsewhere, this opinion has been reinforced by the majority of the other free nations, and the National Government continues to occupy the Chinese seat in all these organizations. The United States believes this should continue to be the case. A real effort is being made at present by the Chinese Government to create conditions on Formosa, political, economic, and social, which will demonstrate to the world that it is deserving of world support. In this task we shall continue to help.

#### **Exchange of Ideas With Two Area Visitors**

Within recent weeks we have had two visitors from Asia, who have not only been an inspiration but who have reinforced our belief that there is hope for success in our objective of encouraging the establishment of free and independent nations in Asia which will be able to stand on their own feet and not become the tools of foreign "isms." The Defense Secretary of the Philippines, Ramon Magsaysay, and Jean Letourneau from Indochina have both demonstrated an awareness of the real problems of their areas and have told us of the constructive measures they are taking to solve these problems.

Defense Secretary Magsaysay has given us concrete examples of how, in his approach to the Huk problem, he has adopted the twin measures of punishment and rehabilitation—the former, stern when needed, the latter, a genuine and sincere attempt to get at the root cause of the trouble. While the Huk movement is dominated at the top by a small group of Moscow-trained leaders, many of the rank and file are people who have in one way or another an honest grievance. Through an enlightened policy of resettlement where neces-

sary, of creating jobs, these people may have been given a chance to earn an honest and a decent living. The back of the Huk rebellion has been broken, and in the past year there has been remarkable improvement in general security conditions throughout the Philippines.

Mr. Letourneau talked with us for several days about the steps which have been taken in the three Associated States of Indochina to consolidate the independence of those states which was established in the accords of 1949. He told us how those accords had been liberally interpreted and supplemented by other agreements and pointed out that the Governments of the Associated States now exercise full authority within their territories except for a strictly limited number of services related to the necessities of the war now going on which temporarily remain in French hands. It was noted that 33 foreign governments have recognized the independence of these states. A vivid demonstration of this independence was given at the Japanese peace conference last September where the Associated States were individually represented and where they signed as representatives of independent powers rather than as part of the French delegation. Bonds between our country and the Associated States have recently been strengthened by the elevation of our missions in those countries to Embassies and the appointment of Cambodian and Vietnamese Ambassadors to Washington. At a public luncheon given by the press correspondents in Washington and in the presence of the Ambassadors from Cambodia and Vietnam, Mr. Letourneau pointed out that when the fighting ceases it will be for the Associated States to determine what their future relationships with France will be. He expressed the strong hope that they would wish to stay as members of the French Union, but in this connection he said, and I quote him: "The French Union is not a prison."

#### **Patience Required To Maintain Asian Security**

A year ago there was not even an embryonic security system embracing any part of the Far East, whereas today we have a series of mutual security and defense pacts with Japan, the Philippines, Australia, and New Zealand. The President has said that these pacts are "initial steps" in the development of an over-all security system for the Pacific area. Whether such an over-all system will be soon consummated depends in large part upon the attitudes and wishes of the peoples of the Pacific area. This is not a field in which the United States can dictate the course of events, but we have made clear that we will look with sympathy on the efforts of the free peoples of Asia to develop a system of collective security. The present treaties have two purposes. They made possible the acquiescence of the governments of those areas in the terms of a peace treaty with

Japan which was not punitive and which was based on trust and a spirit of reconciliation. The United States believed it was not possible to seek certainty about Japan's future actions by imposing restrictions in a treaty which would deny freedom to Japan. However, because they had been much closer to Japanese aggression than we had, there was a natural reluctance on the part of these other countries to agree to such a treaty unless they were able to give their people the assurances they needed about their future security, and this was made possible by the conclusion of these mutual security and defense pacts. However, these treaties do not look only or even primarily to the past. They are a basis for hope in the future and set forth our sense of common destiny with these Pacific peoples. John Foster Dulles, the man most responsible for the great constructive effort which culminated in the Japanese peace treaty and these security pacts, had this to say about these treaties in his testimony before the Senate Foreign Relations Committee:

It is highly appropriate that not only our friends, but our potential enemies, should learn that our concern with Europe, evidenced by the North Atlantic Treaty, and our concern with Japan, in no sense imply any lack of concern for our Pacific allies of World War II or lack of desire to preserve and deepen our solidarity with them for security. The security treaties with these three countries are a logical part of the effort not merely to liquidate the old war, but to strengthen the fabric of peace in the Pacific as against the hazard of new war.

This rather rapid survey of our Pacific problems and the manner in which we are trying to meet them has omitted much. You may believe it is on too optimistic a note, but I assure you there is no illusion in Washington that our problems are near solution or that there are no real dangers ahead. Even should we obtain an armistice in Korea in the near future it would not mean that our troubles are over. There is the continuing threat I have spoken of to Indochina and also to Formosa. I am afraid the United States and the other nations of the free world must learn to live for some time to come with crisis. We shall need all the resolution, firmness, and patience we can summon if the tremendous sacrifices we have already made are not to be in vain. Of the above qualities, if any one can be more important than the others, I stress patience. We must not become, as we are all tempted to at times, so dismayed at what is going on that we rush into new adventures which might create more problems than they solve. We must not, on the other hand, at any sign of good news, give way to our natural desire to relax and turn our thoughts and efforts to more pleasant things.

As has recently been said:

The central objective has to be somehow to keep the threat of civilization alive—to avert war, if possible, because war is the second greatest threat to civilized survival; but to be prepared for war, if necessary, because the greatest threat of all is totalitarian victory.

## Carl Schurz Centennial Award

Press release 541 dated July 9

The St. Louis *Post Dispatch* has selected 26-year-old Heinrich Koerner of Nürnberg, Germany, to receive the Carl Schurz Centennial Award which will enable him to spend the next 6 months as a regular reporter and special feature writer for that newspaper. The award is financed jointly by the International Information Administration of the Department of State and the St. Louis *Post Dispatch*.

Mr. Koerner, who is due to arrive in this country within a month, is employed as state and national political affairs editor of the *Nürnberger Zeitung*, the second largest newspaper in northern Bavaria, which has a circulation of more than 100,000. One of Mr. Koerner's assignments with the *Post Dispatch* will be to cover the various events planned in honor of Carl Schurz during this centennial celebration of his arrival in the United States.

## President Requests Special Survey of U.S. Trade Policies

White House press release dated July 13

*The President has sent identical letters to the members of the Public Advisory Board for Mutual Security, asking them to undertake a special survey of U.S. trade policies. This Board was established by the Mutual Security Act of 1951 as the successor to the Public Advisory Board created in the European Recovery Act of 1948. Under the terms of these acts the members of the Board have been appointed with the advice and consent of the Senate.<sup>1</sup> Following is the text of the President's letter:*

I am writing you and the other members of the Public Advisory Board for Mutual Security to ask that the Board undertake an investigation of the foreign trade policies of the United States,

<sup>1</sup> The Board's membership includes Miss Sarah G. Blanding, president, Vassar College; Orin Lehman, New York; James B. Carey, secretary-treasurer, Congress of Industrial Organizations; A. E. Lyon, executive secretary, Railway Labor Executives Association; Jonathan W. Daniels, editor, Raleigh, N. C., *News and Observer*; George H. Mead, chairman of the Board, the Mead Corporation, Dayton; Robert H. Hinckley, v. president, American Broadcasting Co.; George Meany, secretary-treasurer, American Federation of Labor; Eric A. Johnston, president, Motion Picture Association of America, Inc.; Hershel D. Newsom, master, National Grange; Allan B. Kline, president, American Farm Bureau Federation; and James G. Patton, president, National Farmers' Union. The Director for Mutual Security, Averell Harriman, is *ex-officio* chairman of the Public Advisory Board, but for purposes of this special study it is expected that the Board will name an acting chairman who is not connected with the Government service.

particularly as they affect our efforts under the Mutual Security Program to achieve economic strength and solvency among the free nations.

I am asking the Board to undertake this assignment because I fear that recent developments affecting our trade policy may work at cross purposes with the basic objectives of the Mutual Security Program.

We are working night and day to help build up the military and economic strength of friends and allies throughout the free world. We are spending very substantial sums of money to do this, to the end that our friends can grow strong enough to carry on without special aid from us. This is why we have urged upon them programs of increased production, trade expansion and tariff reduction, so that through world trade they can expand their dollar earnings and progressively reduce their dependence on our aid.

Yet, at the same time, we find growing up in this country an increasing body of restrictive laws attempting to further the interests of particular American producers by cutting down the imports of various foreign goods which can offer competition in American markets. The so-called "cheese" amendment to the Defense Production Act—enacted despite a number of existing safeguards—is a striking example of this trend. On the one hand we are insisting that our friends expand their own world trade; on the other hand we seem to be raising new barriers against imports from abroad. This poses a very real dilemma for our whole foreign policy.

In my judgment, the first step toward clarifying this situation is for a responsible public group to study this problem and recommend to the President and the Congress the course we should follow in our trade policy. I can think of no group better qualified to do this than the Public Advisory Board for Mutual Security. Representatives of business, labor, agriculture, education, and the public at large make up your membership. Both major political parties are represented. Many of you have held other high positions of public trust. From long association with the Marshall Plan and now the Mutual Security Program, you are familiar with the foreign policy of this country and the problems of international relations.

I want you to consider all aspects of our foreign trade policy as coming within the scope of your investigation. In particular, I think you should examine our tariff policy, with special reference to the expiration of the Reciprocal Trade Agreements Act in 1953; import restrictions, including quotas and customs procedures; agricultural policies affecting foreign trade; maritime laws and regulations concerning carriage of American goods; and what to do about the problems of domestic producers who may be injured by certain types of foreign commerce. I would also like to have your views on the role of international agencies in the trade field.

It is extremely important that the whole problem be examined. The effect of raising a tariff to protect a domestic industry, for example, should be evaluated in terms of the counter-restrictions which are raised against American exports abroad. Our tobacco producers know what this kind of discrimination can mean, but I am sure that there are many others who are not fully aware of it. Neither, I feel, have we really thought through the full implications of our efforts to prevent the rest of the free world from trading with the Iron Curtain bloc. Having insisted that these countries severely restrict their trade in one direction, what can we suggest to replace it?

These are the kinds of problems which I want you to consider. Mr. Gordon Gray made a significant contribution in his study of foreign economic policies in 1950. More recently, the President's Materials Policy Commission, under the leadership of Mr. William S. Paley, has emphasized our national dependence on overseas sources of raw materials.<sup>2</sup> Both of these studies, however, were concerned primarily with other problems and touched rather incidentally upon trade policy.

In order that your recommendations may have the widest possible influence, I believe that you should proceed on an independent basis, not subordinated in any way to the Government agencies concerned. I recognize that the Director for Mutual Security is, by statute, Chairman of your Board. However, Mr. Harriman has suggested, and I agree, that he not sit with the Board for the purposes of this undertaking.

I am asking all the departments and agencies concerned with trade matters to give you full cooperation and whatever assistance you may desire in carrying this work forward.

Very sincerely yours,

HARRY S. TRUMAN

## Export-Import Bank Loans

### *South Africa*

The Board of Directors of the Export-Import Bank of Washington announced on July 11 its authorization of a credit of \$19.6 million to the Electricity Supply Commission of South Africa for the expansion of steam electric-power facilities. The credit will bear interest at the rate of 4 percent and is repayable over a period of 18½ years. "This is a strategic materials loan," Herbert E. Gaston, chairman of the Board of Directors of the Bank explained. "Its purpose is to enable the Electricity Supply Commission to provide the additional electric power needed to operate uranium-separation plants in connection with South African gold mines. The Commission's electric power grid is already fully loaded

<sup>2</sup>For excerpts from a digest of volume I prepared by the commission, see BULLETIN of July 14, 1952, p. 55.

with normal demands for domestic and industrial power and is unable to take on service to the uranium plants without additional generating capacity."

The uranium plants were financed earlier by Export-Import Bank loans in the amount of \$35 million.

### *France*

The Export-Import Bank of Washington announced on June 25 the extension of a 200-million-dollar credit to the Republic of France in order that France may receive immediately dollar proceeds of contracts now being placed in France under the Mutual Security Program for military supplies and materials to be delivered and paid for at later dates. The credit is a general obligation of the Republic of France and is further secured by contracts being placed by the Department of Defense.

Disbursements under the credit will be limited to the dollar amount of contracts placed under the Mutual Security Program for the year ending June 30, 1952. The credit will bear interest at 2¾ percent. Payments to the bank will be made as deliveries are accepted by the Defense Department and the credit will have a final maturity of June 30, 1954.

## Logistical Support Agreement With Union of South Africa

Press release 491 dated June 24

Acting Secretary Bruce and Ambassador G. P. Jooste of the Union of South Africa on June 24 signed an agreement under which the Government of the Union of South Africa agrees to pay in dollars for the logistical support furnished by the United States to the South African Air Force squadron participating in the United Nations collective action in Korea.

The South African fighter-bomber unit has been in combat in Korea since November 1950. The exploits of its personnel have resulted in the award by the United States Air Force of 28 Distinguished Flying Crosses, 126 Air Medals, 137 clusters to the Air Medal, 2 Silver Stars, 12 Bronze Stars, and 1 Soldier's Medal. Their F-51 Mustang strikes against the Communist transportation system and their front-line close support have been heralded by Lt. Gen. O. P. Weyland, Commanding General of the Far East Air Force, as "classic examples of outstanding airmanship and courage." General Weyland also stated that "Members of Squadron No. 2 of the South African Air Force have served gallantly and valuably in the cause of the United Nations action against the Communists in Korea . . . Members of the Far East Air Force are proud to have this South African Air Force unit on the team. Their motto 'Upwards and On-

wards' is most descriptive of this outstanding squadron."

The United States has been providing the South African Air Force squadron with materials, facilities, and services required in Korea. The present agreement formalizes the arrangement under which South Africa has already paid the United States about 9 million dollars for logistical support. Additional payments will be made as statements of account are presented by the United States.

At the time arrangements are made for the participation of the forces of the United Nations in Korea, it has been the practice of the United States to reach an understanding in principle that the United States would be reimbursed for the logistical support provided. Under this procedure, the task of working out the detailed agreements has not delayed the movement of personnel to Korea. The United States is now in the process of negotiating agreements with other nations with whom agreements have not yet been concluded.

The text of the agreement with the Government of the Union of South Africa follows:

*Agreement Between the Government of the United States of America and the Government of the Union of South Africa Concerning Participation of the Forces of the Union of South Africa in United Nations Operations in Korea*

This agreement between the Government of the United States of America (the executive agent of the United Nations Forces in Korea) and the Government of the Union of South Africa shall govern relationships in matters specified herein for forces furnished by the Union of South Africa for the operations under the Commanding General of the Armed Forces of the Member States of the United Nations in Korea (hereinafter referred to as "Commander") designated by the Government of the United States of America pursuant to resolutions of the United Nations Security Council of June 25, 1950, June 27, 1950 and July 7, 1950.

*Article 1.* The Government of the United States of America agrees to furnish the forces of the Union of South Africa with available materials, supplies, services, and equipment which the forces of the Union of South Africa will require for these operations, and which the Government of the Union of South Africa is unable to furnish. The Government of the United States of America and the Government of the Union of South Africa will maintain accounts of material, supplies, services, and equipment furnished by the Government of the United States of America to the Government of the Union of South Africa, its forces, or its agencies. Reimbursement for such materials, supplies, services, and equipment will be accomplished by the Government of the Union of South Africa upon presentation of statements of account by the Government of the United States of America. Such payment will be effected by the Government of the Union of South Africa in United States dollars.

*Article 2.* Pursuant to Article 1, appropriate technical and administrative arrangements will be concluded between authorized representatives of the Government of the United States of America and authorized representatives of the Government of the Union of South Africa.

*Article 3.* Classified items, specialized items, or items in short supply furnished to the Government of the Union of South Africa by the Government of the United States of America will be returned to the Government of the

United States of America upon request, as a credit against the cost of materials, supplies, and services previously furnished. If the Government of the Union of South Africa determines at the time of redeployment of its forces that materials or supplies received from the Government of the United States of America hereunder are not desired for retention, such materials or supplies may be offered to the Government of the United States of America, and, if accepted, their residual value as determined by the Government of the United States of America will be used as a credit against reimbursement for materials, supplies, and services previously furnished.

*Article 4.* Each of the parties to this agreement agrees not to assert any claim against the other party for injury or death of members of its armed forces or for loss, damage, or destruction of its property or property of members of its armed forces caused in Korea by members of the armed forces of the other party. Claims of any other government or its nationals against the Government or nationals of the Government of the Union of South Africa or vice versa shall be a matter for disposition between the Government of the Union of South Africa and such third government or its nationals.

*Article 5.* The Government of the Union of South Africa will maintain accounts of materials, supplies, services, and equipment furnished by other governments to personnel or agencies of the Union of South Africa, either directly or through the Commander. Settlement of any claims arising as a result of the furnishing of such materials, supplies, services, and equipment to the Union of South Africa by such third governments, whether directly or through the Commander, shall be a matter for consideration between such third governments and the Government of the Union of South Africa.

*Article 6.* If, with the approval of the Commander, personnel and agencies of the Government of the Union of South Africa use media of exchange other than Korean currency in Korea, obligations arising therefrom will be a matter for consideration and settlement between the Government of the Union of South Africa and the other concerned governments.

*Article 7.* The Government of the Union of South Africa agrees that all orders, directives, and policies of the Commander issued to the forces of the Union of South Africa or its personnel shall be accepted and carried out by them as given and that, in the event of disagreement with such orders, directives, or policies, formal protest may be presented subsequently.

*Article 8.* Nothing in this agreement shall be construed to affect existing agreements or arrangements between the parties for the furnishing of materials, supplies, services, or equipment.

*Article 9.* This agreement shall come into force upon the date of signature thereof, and shall apply to all materials, supplies, services, and equipment furnished or rendered before, on, or after that date, to all claims referred to in Article 4 arising before, on, or after that date, and to all technical and administrative arrangements concluded pursuant to Article 2 before, on, or after that date. This agreement shall be deemed to have terminated when each party has notified the other party thereto that financial claims made by the one or the other have been adjusted and that no further claims are to be made.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this agreement.

DONE at Washington in duplicate, this twenty-fourth day of June, 1952.

FOR THE GOVERNMENT OF THE UNITED STATES  
OF AMERICA :

DAVID BRUCE

FOR THE GOVERNMENT OF THE UNION OF SOUTH  
AFRICA :

G. P. JOOSTE



## United Efforts Speed Migration From Europe

### THIRD SESSION OF THE INTERGOVERNMENTAL COMMITTEE FOR THE MOVEMENT OF MIGRANTS FROM EUROPE

by George L. Warren

The third session of the Provisional Intergovernmental Committee for the Movement of Migrants from Europe was held at Washington from June 10 through June 13. The representatives of the participating governments and international organizations were welcomed at the first meeting by John D. Hickerson, Assistant Secretary for U.N. Affairs. The election of a director, review of operations to date, and consideration of plans for the balance of 1952 were the important items on the agenda. The Committee also agreed to consider a Brazilian proposal to explore the possibilities of technical assistance and international financing with a view to securing a larger volume of migration.

The Migration Committee was established by 15 governments at Brussels in December 1951 immediately following the Conference on Migration, convened by the Belgian Government at the suggestion of the United States. The Committee held its second session at Geneva in February 1952, with 17 governments represented as full members.<sup>1</sup>

At the third session, 19 governments were represented as members: Australia, Austria, Belgium, Bolivia, Brazil, Canada, Chile, Denmark, France, Germany, Greece, Israel, Italy, Luxembourg, the Netherlands, Paraguay, Switzerland, the United States, and Venezuela. The following additional governments participated as observers: Argentina, Colombia, New Zealand, Norway, Peru,

Sweden, and the United Kingdom. There were indications at the session that New Zealand, Norway, Peru, and Sweden will join the Committee soon. The Holy See was represented, and observers were present from the United Nations, the Office of the U.N. High Commissioner for Refugees, the Food and Agriculture Organization, the International Labor Organization, the U.N. Educational, Scientific and Cultural Organization, the Council of Europe, and the Organization for European Economic Cooperation. Voluntary agencies interested in migration also participated in the session.

The Executive Committee of the Migration Committee, consisting of Belgium, Brazil, Canada, France, Germany, Italy, and the United States, had originally been convened to meet at Washington on June 3. After the notices of the meeting had been dispatched from Geneva, the U.S. Government advised the chairman of the Committee that it would be prepared to nominate a candidate for the post of director at the next session of the Committee. In consequence, the full Committee was convened for its third session at Washington on June 10. Dr. J. Roberts (Netherlands) was elected chairman; Count Giusti del Giardino (Italy), first vice-chairman; Fernando Nilo de Alvarenga (Brazil), second vice-chairman; H. von Trutzschler (Germany), rapporteur.

#### Hugh Gibson Elected Director

At the second meeting of the third session, the U.S. representative nominated former U.S. Ambassador Hugh Gibson for election as director of the Committee. Mr. Gibson has previously served

<sup>1</sup> For articles by Mr. Warren on the Brussels Conference on Migration and the first and second sessions of the Committee for the Movement of Migrants from Europe, see BULLETIN of Feb. 4, 1952, p. 169, and *ibid.*, Apr. 21, 1952, p. 638.

as American Ambassador to Belgium, as Minister to Luxembourg, and as Ambassador to Brazil. He has represented the U.S. Government at many international conferences and collaborated with Herbert Hoover in important relief activities abroad. The nomination was immediately seconded by the representatives of Belgium, Brazil, Canada, France, Germany, and Greece. Mr. Gibson was elected unanimously and accepted the post.

The deputy director reported that during the period February 1 to May 31—38,942 migrants and refugees had been moved out of Europe to countries of resettlement. Of these 25,326 had come from Germany, 7,555 from Austria, 2,228 from the Netherlands, and 1,716 from Italy and Trieste. The receiving countries were the United States, 28,423; Australia, 4,621; Canada, 2,068; and certain areas of Latin America, 1,559. The movement of approximately 12,000 refugees, responsibility for which was turned over to the Committee on February 1 by the International Refugee Organization (Iro), had been virtually completed by May 31. Included in this group were 300 refugees from Shanghai and Hong Kong, whose transport was paid for out of a special trust fund established with the Committee by Iro. Toward the total cost, \$2,737,096, of movement of these refugees, the Iro has paid \$2,284,255 and has undertaken to pay the balance of approximately \$450,000 from further funds to be received during its period of liquidation. The Committee has also been reimbursed by the U.S. Displaced Persons Commission for the movement of German ethnics to the United States under the Displaced Persons Act.

In making his report, the deputy director warned that the high rate of movement in the first 4 months of the Committee's operations should not be expected to be maintained in the succeeding months because anticipated movements from Germany to Canada and Australia would not reach their peaks until late summer. These movements have been delayed because of conditions in the receiving countries beyond the control of the Committee. It was anticipated that there would be insufficient passengers to utilize the ships available to the Committee to the full in the succeeding 2 months, whereas the Committee might face a shortage of ships to move all the traffic available later in the year. This possibility may develop also from the fact that the organization of processing services for migrants in Greece and Italy has not been completed, and plans of the Latin American countries for recruitment in 1952 in Greece and Italy await finalization.

#### **Optimism Prevails in Session**

In spite of these observations of the deputy director, the Committee remained optimistic that the interruption in movement would prove temporary, particularly as preparation for future move-

ments is already well advanced. The keen interest of the emigration and immigration countries in the work of the Committee, frequently expressed in the discussions, justified the spirit of optimism which prevailed throughout the session. In this connection, the report that the Netherlands would require three full ships from the Committee by midsummer for the movement of additional migrants to Canada and Australia was reassuring. However, the deputy director expressed his judgment that the total movement for 1952 would be nearer to 121,000 than to 137,000, the estimate made at the second session of the Committee in February.

#### **Ways and Means Considered**

The financial statements presented for the period from February 1 to May 31 showed that more than half of the obligatory contributions of member governments to the administrative expenditures had been received in the total of \$1,132,328. \$5,818,716 had been contributed to the operating fund, and \$8,295,721 had already been received from different governments and organizations in reimbursement for movements or credited to governments for services rendered to the Committee. The Mutual Security Act of 1952 authorizes an appropriation of \$9,240,500 to cover the U.S. contribution to the Committee for its second year.

On examining the financial statements the Committee did not consider that they were presented in a form that would be most useful to the member governments. To secure improvement in the future presentation of such statements and otherwise to advise the Committee and the director on financial and budgetary matters, the Committee established a Sub-Committee on Finance, composed of the Governments of Australia, Canada, France, Germany, Italy, the Netherlands, and the United States. The Sub-Committee was also directed to prepare a revised scale of contributions to the administrative expenditures for the second year of operation to be presented for the consideration of the Committee at its fourth session. The Sub-Committee held one meeting during the third session and made recommendations to the full Committee concerning the future presentation of financial statements, which were accepted.

Responding to the initiative of the Brazilian representative, the Committee adopted a resolution requesting the director to confer with other international organizations active in the field of migration and to report to the Committee at its next session the findings and conclusions of these organizations with respect to ways and means of facilitating migration through technical assistance and international financing, which might be of significance to the Committee in its efforts to achieve greater movement out of Europe.

On June 11, at the White House, the President

welcomed the chiefs of delegations of the member governments, the representatives of governments participating as observers, and the representatives of international and voluntary agencies. The President expressed his personal interest in the Committee and extended his best wishes for the success of the Committee's efforts.

George L. Warren, Adviser on Refugees and Displaced Persons in the Department of State, was chief of the U.S. delegation. Sen. Pat McCarran of Nevada and Rep. Francis E. Walter of Pennsylvania were alternate U.S. representatives. Representative Walter addressed the Committee briefly on June 12. The U.S. delegation entertained the representatives of the governments and organizations participating in the session at a reception on June 10.

The Committee decided to convene the fourth session at Geneva early in October 1952.

## **Soviet Propaganda, Not U.S. Press, Is Threat to World Peace**

*Statement by Walter Kotschnig  
Deputy U.S. Representative in ECOSOC*

U.S./U.N. press release dated June 12

I have no intention of participating in a general discussion on freedom of information, and that for the simple reason that we have had a very full discussion of that problem of the report of the Subcommittee on Freedom of Information and a number of related questions in the Social Committee. Several days were spent on these subjects in the Committee.

However, since my country has been singled so often for special attack, I hope you will allow me to say a few words. I will be very much briefer than the representative of the Union of Soviet Socialist Republics.

The first conclusion that I think all of us must have drawn from his speech is that he was obviously not interested in the work of the Council. He is not interested in whether or not this Council achieves anything in the field of freedom of information. What he really wants is a gallery to which he can speak; otherwise, why wasn't his speech made in the Committee in order to save the time of the Council? What he really has in mind, what he is interested in, above all else, is propaganda and nothing but propaganda. And, we are getting tired of it. That is my first conclusion.

As to the speech itself, the recipe for preparing these speeches on the part of the Union of Soviet Socialist Republics and their friends here in this Council is very simple. It is like preparing a salad. Toss well a heap of assorted clippings from Western newspapers, add a dash of Marxist

dialectics, and serve with plenty of Russian dressing!

I am not going to answer in detail. I can assure the members of the Council of that. I would just like to pick out one or two of the more obvious untruths that have been inflicted upon this Council.

The American press, for the hundred thousandth time, has been accused of being a press of warmongers, a press that is poisoning the minds of millions of people. Everyone knows that in a free press like ours, statements may appear which might better have been left unpublished, statements that are irresponsible. However, anyone who looks at the tens of thousands of newspapers and magazines published in this country will see reflected in them one thing above all—and that is the passionate desire of the American people for peace. No quotations taken from here and there, and tossed together into this kind of Russian salad, is going to change that fact.

One publication was quoted—the name was not given but it is a publication that I think was entitled "We Charge Genocide"—which talks about alleged conditions in the southern part of this country. This publication was described by some of the most outstanding Negro leaders in this country as a piece of out-and-out Communist propaganda and nothing else.

I am not going to talk about the question of newspaper monopolies in the United States, another pet subject of the Communist representatives. If we turn around and look at the Soviet press, the Soviet media of information, we are told, of course, that they have got complete freedom—complete freedom I take it to repeat whatever Stalin and the Politburo tells them to say. Far from being free, you have here a press that is completely controlled. The Soviet representative referred with approval to a New York paper, I believe it was the *Daily Compass*, but there is not a paper in the whole of the U.S.S.R. like the *Daily Compass* or other papers that may disagree with governmental policies in his country. Not a one. You just try and start one of those papers and see how quickly you will find yourself in a forced labor camp in Siberia.

We are told their press is full of sweetness and light. We are told there is a law against warmongers and that there is no warmongering anywhere in the Soviet world. Fine!—but what is the truth? Gentlemen, whether you read the Soviet newspapers, or hear their radio broadcasts, or look at their history books you will find that the whole world's history has been rewritten to suit the purposes of the Communists in Russia. And, it has been rewritten not with the idea of spreading sweetness and light but to create mistrust, fear and hatred against the countries of the Western World.

We also can read. We do not have as easy access to Soviet papers as the Soviets have to our papers. They are very careful in controlling what may be let out of the country. However, let me give a few examples to show you what the Communist rulers mean by peaceful propaganda in the Soviet Union designed to spread truth and to create friendly relations among nations.

Here is one from the *New Times* of 1946, written by a great Russian journalist, Ilya Ehrenburg, after his visit to the United States. He says that he saw a large billboard in Times Square on which was depicted the crucifixion scene, and beneath the cross was the caption, "If Christ had been crucified today, he would not have asked for water but for coca-cola." Is that truthful reporting about the United States? I suppose that it was intended to give an idea of the depth of religious life in the United States.

Take another one—"The overwhelming majority of Negro schools in America consist of one room. The majority of all these schools have only one female school teacher who lectures in all the classes. *The native Negro language has been eliminated from all these schools in America.*" The italics are mine.

Or take another one from *Pravda*, October 21, 1951. "A specialist has been found to tag all American school children. The tags are to state the name and address of the child and the number of his school. All children are to be numbered and registered as if they were already in a concentration camp." We shall next hear that these concentration camps are just outside of New York City. "Having terrified the children and poisoned infant minds with the thought of death, the infamous warmongers are now trying to create panic among adults. A panic which is needed to empty the people's pockets. The whole loathsomeness of the American way of life can be judged from this example alone."

Now, I submit, this is the kind of writing that goes on day after day in the Soviet press. It is the kind of writing to which, I take it, the distinguished representative of the Soviet Union referred when he spoke of news designed to create better relations among peoples.

The Soviet Home Radio Service on May 30, 1952, broadcast that "Up to 111,000 infants, less than one year old, die yearly in the United States." It happens we have one of the lowest infant death rates in the world, but of course it would not make for friendly relations if that kind of fact were mentioned in the Soviet press. And then the

broadcast continued: "Many working people in order to save their children from starvation are selling them as slaves."

I have a few more quotations, Mr. President, that are so filthy, so evidently the ravings of warped minds, that I do not want to put them before the Council. Yet, that kind of sinister falsehood is served up to the Soviet people, intrinsically a friendly people, day in and day out, year after year.

For what purpose? In order to create peace, in order to create understanding among us? Obviously not!

Mr. President, we see the results of that kind of propaganda, insistent, pernicious propaganda, destructive of any basis for peace. We see the results in this very room here. We see the results of this at this very table, Mr. President. We see the results in the persons of the representatives of the Communist countries. Their own thoughts, their own ideas of the United States, of the whole free world have become completely warped and perverted. They have become victims of their own propaganda and the very arguments which they are putting before this Council are twisted and full of lies, and are dripping with hatred.

I do not think I have to add anything else, Mr. President. I am speaking in sorrow rather than in anger when I say that it is Soviet propaganda which is the real threat to the peace we want so desperately to maintain.

## First Meeting of Pacific Council

Press release 507 dated June 30

The Department of State on June 30 announced that the Governments of Australia, New Zealand, and the United States have agreed that the first meeting of the Council, created by the security treaty which came into effect on April 29, 1952, will be held in Honolulu during the first week of August.

The treaty established a Council, consisting of the three Foreign Ministers of the Governments concerned, or their deputies, to consider matters concerning the implementation of the treaty. It is expected that Secretary Acheson, the Australian Minister for External Affairs, Richard G. Casey, and the New Zealand Minister for External Affairs, T. Clifton Webb, will attend the first meeting.

A simultaneous announcement is being made in Canberra and Wellington.

## Planning for the Relief of Famine Emergencies

*Statement by Isador Lubin*

*U.S. Representative in the U.N. Economic and Social Council*

U.S./U.N. press release dated June 27

It is a matter to which all of us can point with some pride that the United Nations and the specialized agencies, in cooperation with governments and with the various voluntary relief organizations, are making progress toward the establishment of arrangements by which they can come promptly to the aid of populations which may suffer famine as a consequence of natural catastrophe. We, at this session of the Council, have an opportunity to take an important new step in this direction.

A number of actions taken thus far have prepared the ground. For example, the General Assembly, in resolution 202 (III) of December 8, 1948, in connection with the problem of food wastage, called attention to the need for increasing the world's available supply of food, and called for action by governments and by intergovernmental organizations looking to the increase in food supply not only through the elimination of wastage but also through increased production.

This Council subsequently put the problem forward at its thirteenth session, taking note of the increasing effectiveness of the work of the FAO [Food and Agriculture Organization] toward improving agricultural production and recommending that the FAO keep the food-shortage situation under surveillance with a view to making emergency reports in instances of critical food shortages or famine. The FAO, from the time that it was established, has been working at this problem. The Sixth Annual Conference of the FAO adopted three resolutions. The first imposed on the Director General of the FAO the responsibility of keeping watch for emergency food shortages and famine, investigating the nature of the emergency, and reporting on the extent of international assistance needed. The second provided for the convening of a meeting of the Council of the FAO and of interested governments in the case of a

famine emergency. The third provided for the exploration of suitable ways and means of establishing an emergency food reserve. In February 1952 the General Assembly adopted a resolution on food and famine, calling upon governments and intergovernmental organizations to attack the problem in a variety of ways.<sup>1</sup> And, now we have before us the excellent study of the Secretary-General (E/2220), prepared in response to that resolution, discussing procedures for bringing about promptly concerted and effective international action in the event of a famine emergency.

As a background for discussing the appropriate action for the Council to take in the light of that report, it seems useful to make a distinction between, on the one hand, the general problem of food shortage and undernourishment in the world as a whole and, on the other, the particular problem of meeting extreme famine emergencies caused by natural catastrophes of an unpredictable nature.

### **The General Problem of Food Shortages**

As concerns the general problem, all of our governments—at least all of them cooperating in the work of the FAO—are engaged in an all-out struggle which must be progressively increased in intensity if enough food for all of the people of the world is to be produced. Many countries have been finding ways of stimulating their agricultural production. We in the United States have been particularly fortunate in recent years because nature has cooperated with us in our efforts in this direction. But other factors have also been important in our success. We have maintained price supports as an inducement to production. We have stepped up our research and extension work so that our farmers can know of

<sup>1</sup> U.N. doc. A/L. 60.

the more advanced techniques for maximizing agricultural production. We have called upon our producers to make a maximum effort to increase their output. As a result, we have been able to increase our agricultural production as a whole from 40 percent above its level prior to the war. In the same period, in the face of rising standards of living and a rapid increase in population, we increased the quantities of food available for export. In the year 1951 we exported about four times as much food as we did on the average during the 5 years just prior to the war. Some of this food has been used to respond to the needs of populations suffering from famine emergencies. We hope always to be able to spare some of our food when such emergencies arise.

Under present prospects, given normal weather conditions and a sustained market, we may see an increase of as much as another 15 or 20 percent by 1960. Such an increase would be substantially larger than the probable rise in our population and would, therefore, provide larger food supplies for export to the other parts of the world.

But these favorable figures do not mean that victory is in sight in the battle to provide enough food for the peoples of the world. On the contrary, most countries have not had as good fortune in this matter as we have. As the representative of the FAO in this Council informed us, the population of the world as a whole is growing faster than the food supply. Moreover, the progress of industrialization in a number of important food-exporting countries has increased domestic utilization of food and decreased the quantity available for export. The campaign to increase world food production must go on and must gain greater and greater momentum if the general problem of providing enough food is to be solved.

### **Factors Limiting Relief Efforts**

But even if we assume its solution, even if our food production efforts succeed beyond present hopes, the famine emergency problem will still be with us.

At some time, in some places, there will be drought or pestilence, or other natural causes of crop failure. And when such disaster strikes, the peoples of the world will wish to come to the help of their suffering fellowmen as far as they can. They expect us, who are forging the instruments of intergovernmental collaboration in common purposes, to establish institutions that will facilitate the relief of populations suffering from famine.

In this connection it might be appropriate if I were to say a word more about the FAO action to investigate the possibilities of creating an emergency famine reserve. The Secretariat of the FAO was called upon to initiate the study of this problem and responded with an admirable paper which

draws few conclusions but presents a penetrating analysis of many of the important problems involved and suggests a few among many possible alternative solutions. A study of the FAO report brings out that the problem is greatly aggravated by the general world-food-shortage situation to which I have just referred at some length. At a time when, as the FAO has told us, many people in the world are receiving less than enough food to maintain strength and health and when some people are, in fact, starving, it is a matter of some question at least whether it is justifiable to withhold food from current consumption in order to build up a reserve to be held against the possibility of future emergency need. Even if it is decided to create such a reserve, the FAO report raises the question as to how severe the famine circumstances must be in order to bring about the release of portions of the reserve. Unless there is a definite answer to this question, the holders of the reserve food would find it rapidly disappearing to meet the current real needs of undernourished populations. In addition, there are many other problems raised by the FAO report, as for example: Where and how to hold the reserve food so that it is most readily available; what commodities to use—whether to use surpluses that may appear or to make a reserve of a certain ideal composition from the point of view of maximum nutritive effectiveness in relieving famine conditions—and so on.

The Council of the FAO, at its session 2 weeks ago, decided on the establishment of a working party of experts to be provided by five governments—two of exporting countries, two of importing countries, and one of a country having an approximate balance in its food trade. This working party is to continue the work begun by the FAO Secretariat with the idea of producing a recommendation as to how best to meet the various problems brought out in the Secretariat study.

One thing that appears from the FAO discussion, as far as it has proceeded, is the need for a careful review of the circumstances associated with efforts to relieve notable famines of recent times. It is important that we know what factors have limited those efforts. Has it been the lack of food supplies available in the world? Has it been the lack of international purchasing power available to the famine country? Or have some other conditions limited the provision of adequate relief? There is some noteworthy opinion that the important limiting factor has been the failure of governments and agencies to make the necessary advance preparations to act promptly when famine conditions become known.

The fact of the matter is that, to an extraordinary degree, the people and governments of the world—certainly of the free world—are generous when disaster strikes a population in another country. They are more generous after the disaster has hit than they are when it is still only a future probability. Planning for the relief of

## U.S., Iranian, Uruguayan Draft Resolution

U.N. doc. E/L.373/Rev. 2  
Dated June 27, 1952

The Economic and Social Council,  
BEING DEEPLY CONSCIOUS of the wish of the peoples of the United Nations, as expressed in resolutions of the General Assembly and the Conference of the FAO, to be prepared to come to the aid of people in any country whenever the vagaries of nature may visit upon them famine emergencies with which their governments are unable to cope,

RECOGNIZING that such famine emergencies may sometimes occur despite every effort to solve the continuing problem of world food shortages through increases in food production,

HAVING BEFORE IT the report (E/2220) prepared by the Secretary-General on procedures for international action in the event of emergency famines arising from natural causes,

### RECOMMENDS:

1. That governments, inter-governmental organizations, and voluntary agencies prepare themselves to act in concert promptly and effectively in the event of such famine emergencies, and, in particular,

2. That governments make appropriate advance arrangements for the designation of ministries or agencies to be responsible for carrying out famine relief activities in their territories; this should include: (a) the mobilization of local resources, (b) liaison with other governments and organizations, (c) the co-ordination of the activities of national voluntary agencies, (d) the provision of transport, direct distribution mechanisms and other facilities for delivering available food to famine areas, (e) suitable publicity to assure fullest public co-operation in local and international relief ac-

tivities, and (f) the preparation of reports to the United Nations,

3. That governments obtain authority for the suspension of customs duties and other barriers to the emergency importation of food,

4. That, in these arrangements, the famine relief activities of local and international voluntary agencies be given fullest opportunity and encouragement, and support be given for the establishment and co-operation of duly organized voluntary organizations such as the national Red Cross and Red Crescent Societies noted in General Assembly resolution 55 (I),

5. That the FAO continue to develop and perfect its arrangements to detect famine emergencies as early as possible, ascertain their scope and probable duration, and advise the Secretary-General promptly when international action is needed, and

6. That the Secretary-General, as circumstances may require, arrange for co-ordination of the famine emergency relief activities of, and seek the co-operation of, inter-governmental organizations, governments and voluntary agencies through consultation and other appropriate mechanisms, and report to the Economic and Social Council on action under this resolution, and

COMMENDS the FAO for the study, begun by the FAO Secretariat and being carried forward by a committee of experts set up by the FAO Council, to determine whether suitable ways and means can be found for establishing an emergency food reserve which would increase the ability of the United Nations to come to the aid of peoples threatened by famine emergencies.

future disaster is an intellectual process based upon hypothetical situations. But acting together in an existing emergency is an essentially emotional process. We respond with our hearts to a need that is real and actual. But when everybody wants to do something about something at the same time, without previous arrangement as to who is to do what, the very promptness and intensity of the response may cause confusion and delay and inefficiency.

Such lack of organization sometimes contributes to despair in the famine area. A panic situation may greatly aggravate the sufferings of the affected population. Hence the proposal before us that we organize so that the international organizations and the governments of the world will be ready to work together promptly in a concerted fashion with maximum effectiveness is an important step in preparing to deal with famine emergencies. There must not only be a ready response but there must be pre-arranged channels for coordination and liaison and pre-arranged mechanisms for alerting the world in time. It is to this problem that the Secretary-General addressed himself in the paper before us. That paper shows a very good understanding of the pro-

cedural problems involved. In particular it stresses the need for flexibility in the methods used under differing circumstances for coordinating assistance from governments, intergovernmental organizations, and voluntary agencies. At the same time, it makes clear the importance of advance arrangements for the assignment of responsibility and for coordination and liaison.

The delegations of Iran and Uruguay and my delegation have put before you a resolution (E/L.373/Rev. 2) which calls upon governments, international organizations, voluntary agencies, and the Secretary-General to make the necessary arrangements in a flexible but coordinated way.

In conclusion, I should like to mention one incidental but not unimportant byproduct of our taking this action. Through cooperation in the necessary advance arrangements, the agencies involved—and people everywhere—will have a present sense of participation in the world's arrangements for dealing with this age-old problem of famine. As one can do only by participation, they will realize that the United Nations is aware of this famine danger and has taken the lead in putting the world in a position to meet the danger.

# Report of U.N. Command Operations in Korea

## FORTY-SECOND REPORT: FOR THE PERIOD MARCH 16-31, 1952<sup>1</sup>

U.N. doc. S/2662  
Transmitted June 13, 1952

I herewith submit report number 42 of the United Nations Command Operations in Korea for the period 16-31 March 1952, inclusive. United Nations Command communiqués numbers 1205-1220, provide detailed accounts of these operations.

Substantive progress was made on agenda item 3, concrete arrangements, through the persistent efforts of United Nations Command staff officers.

The subject of ports of entry was finally resolved when the United Nations Command reduced its requirement for these complexes from six to five and the Communists agreed to the following United Nations Command provisions:

A. A port of entry shall include the railheads, airheads and seaport facilities associated with and supporting a city, and

B. Rotation and replenishment shall be conducted only in the mutually agreed ports of entry.

Detailed maps of the ports of entry were prepared by each side and were exchanged. The following specific ports of entry have been prepared:

A. By the Communists: Sinuiju, Chongjin, Manpojin, Hungnam and Sinanju.

B. By the United Nations Command: Pusan, Inchon, Kangnung, Kunsan and Taegu.

Slight progress was made on the subject of the neutral nations inspection teams when the Communists agreed, on the staff officers level, that these teams will not be authorized to inspect or examine secret designs or characteristics of combat aircraft, armored vehicles, weapons or ammunition.

The United Nations Command Representatives have brought up repeatedly the problem of neutral nations and the previously agreed to principle which stated that the neutral nations would be selected on the basis of being mutually acceptable to both sides, reiterating their stand

that the Union of Soviet Socialist Republics is not acceptable to the United Nations Command as a neutral nation. In each instance the Communist side answered with vague generalities.

There are only two important issues remaining to be settled under agenda item 3. United Nations Command reports numbers thirty-seven, thirty-eight and forty have explained the United Nations Command position on these issues, which are:

A. Agreement to limit airfield construction and rehabilitation.

B. Agreement on the composition of the neutral nation inspection teams.

In discussions on agenda item 4 the United Nations Command delegation, realizing that discussions at sub-delegation level had reached a point at which progress was extremely slow, proposed to the Communists that talks revert to staff officer level. It was emphasized by the United Nations Command that the respective staffs might be able to better explore and clarify the stated positions of each side, provided the Communists were sincerely interested in seeking a fair and honest solution to a problem to which they had added unnecessary complications. The Communists agreed, and on 16 March staff officers' meetings were convened.

The initial meetings at the lower level started with characteristic Communist stubbornness and ambiguity. United Nations Command efforts to crystallize the exact meaning of a Communist proposal made in early March, on which they apparently placed much importance, produced little result. No firm commitments could be secured on what they termed a reasonable proposal—that both sides should establish the principle of release and repatriation of all Prisoners of War after an armistice is realized on the basis of data which have already been exchanged concerning the prisoners in the custody of both sides.

The Communists indicated they would negotiate more freely and informally if the daily developments of discussions were withheld from the press. While the United Nations Command had favored prompt and accurate reporting of negotiations to all news media in the belief that such information was of vital and material interest to the world, it accepted the suggestion of a news blackout in the interest of eventual agreement. Accordingly, discussions were moved to executive sessions, but only after it was clearly explained to the press that reports of the day-to-day discussions were to be withheld to permit the representatives of both sides to express themselves frankly without any implication of a commitment prior to the full development of their respective views. The United Nations Command gave its assurance to all news reporters

<sup>1</sup>Transmitted to the Security Council by Ambassador Warren R. Austin, U.S. representative in the Security Council, on June 13. Texts of the 30th, 31st, and 32d reports appear in the BULLETIN of Feb. 18, 1952, p. 266; the 33d report, *ibid.*, Mar. 10, 1952, p. 395; the 34th report, *ibid.*, Mar. 17, 1952, p. 430; the 35th report, *ibid.*, Mar. 31, 1952, p. 512; the 36th and 37th reports, *ibid.*, Apr. 14, 1952, p. 594; the 38th report, *ibid.*, May 5, 1952, p. 715; the 39th report, *ibid.*, May 19, 1952, p. 788; the 40th report, *ibid.*, June 23, 1952, p. 998; and the 41st report, *ibid.*, June 30, 1952, p. 1038.



that any substantive agreement reached would be announced promptly.

The Communists alleged that, on 16 March at 0135 hours, a United Nations Command aircraft strafed a Prisoner of War camp in the vicinity of Chang-Song, wounding at least one British prisoner. An immediate investigation by United Nations Command indicated that while night intruder aircraft were operating in the area at that time, it was impossible to verify the Communist claim since no Prisoner of War camp had ever been located in this vicinity, marked or unmarked.

The United Nations Command made another strong protest to the Communists over their failure to carry out the agreement they made on 24 January to mark every camp so as to be identifiable from the air. Further, it appears that the locations of war prisoners camps and even their total number have been purposely obscured by failure to mark them properly and by contradiction as to location so as to establish a semi-sanctuary for military installations in the immediate area. Of those camps reported by the Communists, nine are on or very near main routes vital to the Communist supply system. In addition, three unmarked camps reported as being in the vicinity of Pyongyang have served to deter the United Nations Command from normal air action in that area, even though it is fully realized the Communists are using this opportunity for establishment of a strategic supply point. The Communists avoided direct queries by the United Nations Command as to the marking and adequate night lighting of their camps, claiming only that they had marked such installations and that the agreement reached by both sides did not specifically require camps or their markings to be lighted at night. After strong pressure from the United Nations Command, the Communists agreed to another meeting of representatives of both sides to resolve definitely the exact locations of war prisoner camps and the identifying markings of each.

Of those national Red Cross Societies previously invited to participate in the joint Red Cross operation to assist in the exchange of Prisoners of War, all have replied except Greece. Some representatives have already arrived in the Far East and notification has been received that others will be enroute soon. Detailed planning for the training, logistical and administrative support, and for field operations of the Red Cross teams is now being prepared in co-ordination with United Nations Command military agencies which will be involved in the over-all use of the joint teams. The enthusiastic support and high degree of interest which this project has received has been extremely gratifying and holds high promise for its success.

The status of agenda item 5 remains unchanged. The United Nations Command delegation is prepared to meet with the Communists at staff officer's level to incorporate the agreed article, as quoted in United Nations Command report number 40, into the armistice agreement. The Communists have not yet requested this meeting.

Combat action along the battle line continued to be minor in nature. Hostile units on the front again directed their principal efforts towards turning back United Nations Command patrols. The majority of the patrols were used to provide security for United Nations Command main battle positions. Other patrols maintained a continuous reconnaissance of enemy positions and activities, while patrols of still another category were dispatched with the mission of seeking combat with specific enemy elements or positions. These latter patrols, through the capture of prisoners and by accurately ascertaining enemy strengths and dispositions, continued to constitute a primary source of front line intelligence. For this same purpose, hostile units launched scattered exploratory attacks against United Nations Command forward positions, usually during the hours of darkness, employing small units, normally of squad strength. A single unsuccessful battalion-size assault constituted the only deviation from this pattern of action. Enemy armor failed to participate

in the battle action, but hostile units continued to expend relatively liberal amounts of artillery and mortar ammunition. This expenditure continued to reflect the enemy's strong logistical position, but it failed even to approximate the much larger quantities expended by United Nations Command elements against hostile targets. Front lines, enemy capabilities and enemy dispositions along the battle front remained unchanged during the period.

Scattered patrol clashes and enemy probing actions occurred along the length of the fifty-mile western front extending from Hungwang to the vicinity of Chingdong. However, enemy interest was centered on the six-mile area east of Punji. In addition to numerous patrol clashes, the enemy conducted more probing attacks against United Nations Command positions in the Punji area than elsewhere on the western front. The Punji area was also the site of the enemy's most aggressive attack, when a hostile battalion launched a limited objective thrust against forward United Nations Command positions on 18 March. Although vigorous, the enemy failed to make any gains and was forced to retire after three hours of fighting. Hostile armor, although not engaging in battle action, was evident in the enemy's rear areas on the western front. The enemy thus far has shown little inclination to employ his armor in any manner which would expose it to United Nations Command fires.

A similar pattern of patrol clashes and scattered enemy probing action typified hostilities on the central and eastern fronts during the period. The majority of the action consisted of United Nations Command-initiated patrol clashes, the greatest number of which took place in the Talchon and Mujunji areas. Enemy artillery and mortar fires were heaviest on the eastern front, and again included a sprinkling of propaganda leaflets. Weather did not adversely affect ground operations along the battle line during the period, although poor visibility occasionally hampered the effectiveness of light aircraft.

The enemy's capability for waging offensive action was undiminished during the period. Despite the enemy's preparedness there is little evidence to suggest any early hostile offensive. The preponderance of hostile activity and statements of Prisoners of War continued to reflect a defensive attitude without disclosing when this attitude may terminate.

United Nations Command carrier-based aircraft, operating in the Sea of Japan, concentrated their attacks on vulnerable rail lines along the Korean east coast. Jet and conventional fighters and bombers successfully cut rail lines in many strategic places and destroyed or damaged transportation and supply installations, facilities and material.

United Nations Command carrier aircraft operating in the Yellow Sea provided cover and air spot for surface units on blockade and anti-invasion stations. They also flew offensive strikes and reconnaissance missions as far North as Yongyu and Hanchon, into the Chinnampo area and Hwanghai Province, and along the North bank of the Han River.

Patrol planes conducted daylight reconnaissance missions over the Sea of Japan, the Yellow Sea and the Formosa Straits. Day and night patrols and weather reconnaissance missions were also conducted for the surface units.

United Nations Command fire support vessels operating in support of the United Nations Command ground forces successfully attacked many enemy positions, destroying or damaging bunkers, gun positions and inflicting casualties on enemy personnel.

The Naval blockade continued along the East coast from the line of contact to Chongjin. The ports of Wonsan, Hungnam and Songjin were kept under siege. Enemy shipping was reduced to a minimum and enemy positions and transportation facilities were damaged or destroyed.

A friendly unit, occupying a small island South of Kojo, was attacked by an enemy force supported by artillery. One enemy junk was captured, another sunk, and two more

probably sunk before friendly forces evacuated the island.

Enemy shore batteries were active on eight days in the Wonsan and Hungnam areas. One hit was made on a United Nations Command vessel but damage was negligible. Return fire from United Nations Command vessels succeeded in destroying or damaging several bunkers and gun positions.

United Nations Command surface units manned anti-invasion stations along the West coast, from Chinnampo to the Han River estuary, in support of the friendly islands north of the battle lines. During darkness, enemy positions and invasion approaches were illuminated and signs of enemy activity taken under fire. Daylight missions started many fires and inflicted troop casualties. Enemy shore batteries were active against friendly islands and United Nations Command ships, particularly the mine sweepers. The enemy launched an attack against Yongmae-Do by crossing the mud flats at low tide. The attack was successfully repulsed by United Nations Command vessels which illuminated and fired into the attacking force.

Mine sweepers continued to conduct day and night exploratory, clearance and check sweeps. These operations were conducted along the East coast to Songjin, and on the West Coast to the waters off Chinnampo. The sweepers were taken under fire on several occasions but suffered no damage or casualties.

Ships of the amphibious forces lifted personnel, material and supplies to Koje-Do in connection with Prisoners of War operations. Naval auxiliary, Military Sea Transport Service, and Merchant vessels under contract provided logistic support to the United Nations Command ground, air and naval forces operating in Korea.

United Nations Command Air Forces, operating in better than normal weather conditions, maintained high sortie rates. Minor changes in operations, both by the enemy and the United Nations Command, were effected.

The systematic attacks on the rail lines in northwestern Korea were successfully continued during daylight hours. The principal rail lines were cut in many places and rolling stock was subjected to destruction and damage.

The identification of two Communist supply installations in the forward areas provided the targets for a heavy attack by United Nations Command fighter bombers. The first installation, near Mulgae-Ri, was continuously attacked by fighter bombers throughout one day. The second installation, near Hoeyang, was subjected to a similar attack. Detailed evaluation of the resultant damage to these two installations was impractical because of the clever camouflage and wide dispersal of supplies. Many secondary explosions were noted by pilots during the attacks. Photographs, taken after the attacks were completed, revealed craters and fire scars where supply dumps and buildings had previously been.

The close air support effort of the United Nations Command fighter bombers continued to be effective in supporting United Nations Command ground operations. Many bunkers, gun positions and supply buildings were destroyed or damaged.

The air-to-air combat between the United Nations Command and Communist air forces continued at a high rate with a heavy advantage being attained by the United Nations Command pilots. A total of 1,069 MIG-15's were sighted on the nine days the Communists were active. United Nations Command interceptors succeeded in destroying thirteen MIG-15's and damaging forty-three more while suffering the loss of one interceptor and damage to four more. Of the forty-three MIG-15's damaged, six were probably destroyed. United Nations Command fighter bombers, in conducting their attacks against the enemy's rail lines, damaged an additional three MIG-15's while defending themselves from air attacks. The MIG-15's which have excellent performance characteristics at high altitudes, were observed on several occasions to be flying at lower than normal altitudes, as well as flying in smaller formations than previously reported. On three occasions the MIG's were able to evade United Nations

Command escort aircraft and attack friendly fighter bombers.

Night intruder aircraft continued to patrol the main supply routes throughout North Korea and to attack motor vehicles and locomotives when observed.

United Nations Command medium bombers continued to execute night leaflet drops, close air support missions and reconnaissance and surveillance flights. In addition, missions were conducted against the enemy's communication systems with emphasis being placed on key river crossings.

Aerial reconnaissance units continued to secure information on enemy dispositions, weather, target damage and the status of enemy airfields. Special emphasis was placed on securing aerial photographs of the Communist Prisoners of War camps. In several instances, these missions directed friendly aircraft or Naval gun fire against transient targets.

Combat cargo aircraft provided for the aerial resupply of many forward installations as well as for the evacuation to Japan of wounded United Nations Command personnel. Air rescue operations continued to provide life saving services to all United Nations Command forces and personnel.

The United Nations Command intensified its efforts to disseminate news as widely as possible among enemy soldiers and civilians in North Korea. Although less than a third of the Korean people remain under Communist occupation, this minority continues to be subjected to every Communist device for distortion and suppression of the truth. In recent false propaganda allegations that the United Nations Command has used bacteriological weapons, the Communists, both in and out of Korea, have demonstrated once again their characteristic unscrupulousness by resorting to absolute falsehoods in order to hide their own crimes or absolve themselves of responsibility. United Nations Command radio broadcasts and news leaflets are vigorously exposing the Communists incompetence and negligence in failing to provide effective medical facilities in North Korea.

The dollar value of supplies and equipment actually delivered to Korea in support of the Korea economic aid program from 1 July 1950 to 15 March 1952 by the United States Government agencies is \$227,000,000. This figure includes the following:

A. Supplies and equipment for direct relief and short term economic aid under the United Nations Command program from United States funds in the amount of approximately \$101,000,000.

B. Supplies and equipment procured by Economic Construction Agency during the period 1 July 1950 to 7 April 1951 for economic rehabilitation in the amount of \$26,000,000.

C. Civilian type supplies and equipment provided by the United Nations Command for common military-civilian purposes in the approximate amount of \$65,000,000. This category of supplies is provided as a military necessity, but is considered within the framework of Korean economic aid since the Korean economy derives considerable benefit therefrom. Included in this category are such projects as construction and reconstruction of roads and bridges; rehabilitation and improvement of ports and harbors; rehabilitation of railroads, including construction and reconnaissance of bridges and tunnels; provision of railroad rolling stock, coal and operation supplies for the railroad; rehabilitation and improvement of communication facilities; and rehabilitation of public utilities such as water works, ice plants, electric power system and coal mines.

D. Raw materials provided for support of the Republic of Korea Army as a military requirement. These supplies are considered within the sphere of the Korean economic aid program since the manufacture of end items in Korea affects the Korean economy by sustaining industry, providing a livelihood for a portion of the civilian population, and reduces the withdrawal of similar items from

civilian supplies. It is conservatively estimated that approximately \$35,000,000 worth of raw materials have been delivered to Korea for this purpose.

The figure of \$227,000,000 does not include the dollar cost of the following: Purchase of supplies and services in Korea; services of United States service troops in rehabilitation projects such as are enumerated in paragraph C above; power furnished from floating power barges and destroyer escorts; movements of refugees by ship, airplane, rail and truck; salaries of all personnel solely engaged in Korean Economic Aid at all levels. The cost of such services is conservatively estimated to be over \$225,000,000.

Contributions of supplies and equipment delivered to Korea from other United Nations member nations and non-governmental agencies are estimated at \$19,500,000.

In summary, the financial statement for civilian relief and economic aid to Korea may be stated as follows: Supplies and equipment from United States Government sources: \$227,000,000. Services from United States governmental sources: \$225,000,000. Total \$452,000,000. Contributions from United Nations member nations and non-governmental agencies: \$19,500,000. Total: 1 July 1950-15 March 1952, \$471,500,000.

## **Cotton-Cotton Linters Committee of IMC To Disband**

On June 24 the Cotton-Cotton Linters Committee of the International Materials Conference announced that it has decided unanimously to recommend to member governments that the Committee should automatically terminate its activities on September 15, 1952, unless the supply situation in cotton or cotton linters had deteriorated materially by then.

The Committee, which held its first meeting on March 5, 1951, has had the situation in cotton and cotton linters under continuous review since that date. It has, however, never found it necessary to recommend allocation of either of these commodities. In March of this year the Committee agreed to suspend its activities until August, when the prospects for the next season could be appraised. However, reports in May indicated that the situation has improved so that supply and demand for cotton and cotton linters appear to be approximately in balance. The Committee, therefore, felt it advisable to review the situation now instead of waiting until August.

In the light of this improved situation the Committee decided that it could safely take a decision now to end its activities, subject only to the condition that, if there were a marked change for the worse by the middle of September, the position could then be reviewed. Unless this change takes place, which is not at the moment expected, there will be no more meetings of this Committee.

Thirteen countries are represented on the Committee. They are Belgium (representing Benelux), Brazil, Canada, France, the Federal Republic of Germany, India, Italy, Japan, Mexico, Peru, Turkey, the United Kingdom, and the United States.

## **IMC Allocations Announced for Third Quarter of 1952**

### *Tungsten and Molybdenum*

The Tungsten-Molybdenum Committee of the International Materials Conference announced on July 11 its recommended distribution of tungsten and molybdenum for the third calendar quarter of 1952.<sup>1</sup> The Governments of all 13 countries represented on the Committee have accepted the recommendations. These countries are Australia, Bolivia, Brazil, Canada, Chile, France, the Federal Republic of Germany, Japan, Portugal, Spain, Sweden, the United Kingdom, and the United States.

In accepting the recommendations, the Government of the United States made the condition that domestic users of tungsten and molybdenum in the United States should be authorized to purchase the quantity of such materials allocated to other countries participating in the International Materials Conference and not used by any such participating country. In view of this, the Committee agreed to make arrangements whereby such domestic users in the United States or other countries would have the opportunity to purchase tungsten or molybdenum allocated to other countries participating in the International Materials Conference but not used by any such participating country.

Tungsten and molybdenum have been under international plans of distribution since July 1, 1951. Although availabilities of the two metals have been increasing, both continue to be in short supply as compared with the requirements of the consuming countries. This is especially so when the stockpiling requirements of these countries are taken into consideration.

The total free world production of tungsten in the third quarter of 1952 is estimated by the Committee at 4,690 metric tons metal content, and the free world production of molybdenum at 5,650 metric tons metal content. The above estimate of tungsten production shows an increase of about 30 percent as compared with the actual rate of production in the second half of 1951 and more than double the rate of production in 1950. Molybdenum production as above estimated shows an increase of nearly 15 percent as compared with actual production in the second half of 1951 and over 50 percent above the rate of production in 1950. On the other hand, the defense and stockpiling requirements of the free world are still in excess of the production in the case of both metals. It is necessary, therefore, that all countries of the free world should do their utmost to implement the present recommendations for the distribution of the metals and give every attention

<sup>1</sup>The recommended plans of distribution, labeled tables I, II, and III are not printed here. See IMC press release dated July 10.

to the measures recommended by the Committee for conservation and substitution.

The plans recommended provide for the distribution of the whole free world production of tungsten and molybdenum, both in the form of ores and concentrates and primary products. Primary products are defined, as in the case of previous distributions by the Committee, as ferro-tungsten, tungsten powder, tungstic acid and tungsten salts, and ferro-molybdenum, molybdic acid and molybdenum salts, including calcium-molybdate and molybdic oxide. Roasted molybdenum concentrates are regarded by the Committee as being included in ores and concentrates, as in the case of previous distribution plans.

In framing the recommended plans of distribution, the needs of all countries, whether members of the Tungsten-Molybdenum Committee or not, were carefully considered. The distribution plans are now transmitted to all governments, including those not represented on the Committee, wherever the countries concerned are interested in the export or import of tungsten or molybdenum in the form of ores and concentrates or primary products. All governments are being requested to carry out the plans of distribution recommended.

Of the quantity of 4,690 metric tons metal content of tungsten estimated to be produced in the third calendar quarter of 1952, the distribution plan provides that 4,470.7 metric tons is to be distributed in the form of ores and concentrates and 219.3 metric tons in the form of primary products. This latter quantity is distributed, in the first instance, in the form of ores and concentrates to countries manufacturing this material into the primary products. Similarly, of the total estimated production of 5,650 metric tons metal content of molybdenum to be produced in the third calendar quarter of 1952, the distribution plan provides that 5,391.25 metric tons be distributed in the form of ores and concentrates and 258.75 metric tons as primary products, this latter quantity also being distributed, in the first instance, to countries manufacturing primary products from ores and concentrates.

The distribution proposed is set forth in tables I and II, showing the distribution of tungsten and molybdenum, respectively. These tables apply as follows:

A. The quantities set forth are the share of total production in the free world which it is recommended that each consuming country named shall retain either (a) out of its own domestic production, and/or (b) out of imports in the period July 1 to September 30, 1952.

B. The figures of quantities set forth in the columns headed "Export of Primary Products" are the additional quantities of ores and concentrates which are assigned to certain countries for processing ores and concentrates into primary products, on the understanding that these additional quantities will, after processing, be re-

exported to the countries requiring such products, as shown in the column headed "Distribution of Primary Products."

Table III shows the export and import quotas of the two metals derived from the distribution shown in tables I and II. The quantities shown in table III are the export and import quotas of tungsten and molybdenum (ores and concentrates only) for the period July 1 to September 30. These quotas correspond with the quantities set forth in tables I and II. The import quotas include the quantities to be imported for processing and reexport as primary products.

In issuing the above-described plans of distribution, the Committee recommends that existing contracts be respected as far as possible. If such contracts provide for the supply of tungsten or molybdenum to any one importing country in excess of the amounts allocated, it is recommended that the importing country should divert shipments to other importing countries which have not yet filled their import quotas so far as possible without upsetting the original contractual arrangements.

The Committee has also given consideration to distribution arrangements for the fourth calendar quarter of 1952. For the fourth quarter the estimated production of tungsten is 4,940 metric tons metal content and of molybdenum 5,751 metric tons. The distribution arrangements for these quantities are at present in a formative stage, and a further announcement relating to them will be made at a later date.

### *Primary Copper*

The Copper-Zinc-Lead Committee of the International Materials Conference on July 11 announced that its member governments have accepted its proposals for the allocation of copper for the third quarter of 1952.<sup>2</sup> Twelve countries are represented on the Committee. They are Australia, Belgium (representing Benelux), Canada, Chile, France, the Federal Republic of Germany, Italy, Mexico, Norway, Peru, the United Kingdom, and the United States.

The Committee agreed to make arrangements whereby domestic users in the United States or in other countries would have the opportunity to purchase any copper allocated to other countries participating in the International Materials Conference and not used by any such participating country. In accepting the Committee's recommendations, the Chilean Government made a reservation by which, without reference to the distribution plan, it may dispose of a limited tonnage of its copper. Notwithstanding this reservation, the Chilean Government has stated its desire to take into account the recommendations

<sup>2</sup> For distribution plan, see IMC press release dated July 10.

of the Committee and to duly consider them whenever possible.

The plan of distribution has been forwarded also to the governments of 27 other countries not represented on the Committee for which allocations have been recommended.

As in the previous quarter, primary copper only (blister and refined) is included in the plan. While semifabricated products have not been allocated, all exporting countries are asked to continue to maintain their exports of such products at a level commensurate with their allocation of primary metal for civilian consumption, in accordance with normal patterns of trade. Also, as in previous quarters, all countries are requested to continue measures for conservation and end-use control.

The Committee has recommended a plan of distribution of 744,290 metric tons of copper in the third quarter, as compared to 723,680 metric tons for the second quarter. Direct defense needs have been given priority. Provision has also been made for strategic stock piling by the United States.

### *Nickel and Cobalt*

The Manganese-Nickel-Cobalt Committee of the International Materials Conference announced on July 14 its recommended distribution of nickel and cobalt for the third quarter of 1952.<sup>3</sup> The countries represented on the Committee are Belgium (for Benelux), Brazil, Canada, Cuba, France, the Federal Republic of Germany, India, Norway, the Union of South Africa, the United Kingdom, and the United States.

All of the 11 member governments have accepted the plan of distribution for cobalt. The plan for nickel has been accepted, with reservations on the part of India and under protest by the Federal Republic of Germany.

The Committee agreed to make arrangements whereby domestic users in the United States or in other countries would have the opportunity to purchase any nickel or cobalt allocated to countries participating in the International Materials Conference and not used by any such participating country.

The plans of distribution have been forwarded to all interested governments for implementation.

As in the first half of 1952, the distribution of nickel covers all primary forms of metal and oxides. Nickel salts have not been included in recommended plans of distribution since December 31, 1951.

Estimated total availabilities of primary nickel and oxides for the third quarter amount to 36,580 metric tons, in terms of metal content, as against 35,195 in the second quarter.

As in the previous allocation period, the Committee has accepted a U.S. proposal that the

amount of production represented by the Nicaro (Cuba) output should be distributed among various countries in proportion to their direct defense programs.

France has agreed to make available for export 155 tons of New Caledonian fonte, in terms of nickel content, of which 30 tons represent import quotas granted in the second quarter which have been cancelled by the Committee. Fonte is a directly smelted nickel cast iron of about 30 percent nickel content.

The total quantity of cobalt available for distribution in the third quarter, in the form of primary metal, oxides, and salts, is estimated at 2,475 metric tons of cobalt content, including a carry-over of 100 tons from previous production. This compares with 4,413 tons distributed in the first half of 1952.

The Committee is unable to foresee when it will be possible to dispense with international distribution plans for nickel and cobalt, since increased availabilities are inadequate to meet continuing heavy demands for essential rearmament production.

## **U.S. Delegations to International Conferences**

### **International Wheat Council**

On June 30 the Department of State announced that the International Wheat Council will convene its tenth session at London on July 1. Each of the 46 member countries may be represented at Council sessions by a delegate, an alternate delegate, and such technical advisers as are necessary. The U.S. delegation is as follows:

#### *Delegate*

Elmer F. Kruse, Assistant Administrator for Commodity Operations, Production and Marketing Administration, Department of Agriculture

#### *Members*

Anthony R. DeFelice, Office of the Solicitor, Department of Agriculture

Eric Englund, Agricultural Attaché, American Embassy, London

Robert L. Gastineau, Head, Grain Division, Office of Foreign Agricultural Relations, Department of Agriculture

Earl O. Pollock, Assistant Agricultural Attaché, American Embassy, London

L. Ingemann Highbly, Chief, Food Branch, Agricultural Products Staff, Office of International Materials Policy, Department of State

The Council was created by an International Wheat Agreement signed at Washington on March 23, 1949. The purpose of the agreement, which expires in 1953, is to overcome the hardship resulting from surpluses and shortages of wheat by assuring supplies to importing countries and

<sup>3</sup>For distribution plan, see IMC press release dated July 11.

markets to exporting countries at fair and stable prices.

At its forthcoming session, the Council will give detailed consideration to amendments required to make renewal of the agreement generally acceptable to all the member countries. In this connection the Council will review a progress report by its Recommendations Committee, established at the eighth session (London, May 1952), on the study of questions related to price structures and drafting problems. The Council will also decide on the site for its eleventh session, tentatively scheduled for January 1953, which will be convened for the primary purpose of considering further the extension of the wheat agreement.

### **Rules of the Air and Air Traffic Services Committee (ICAO)**

On June 30 the Department of State announced that the fourth special meeting of the Rules of the Air and Air Traffic Services Committee, European-Mediterranean Region, of the International Civil Aviation Organization (ICAO) will convene at the ICAO regional office at Paris on June 30, 1952. The United States is included in the list of ICAO member states invited since it operates extensive air services in this region. The U.S. delegation is as follows:

#### *Chairman*

Hugh H. McFarlane, Regional ICAO Representative, Civil Aeronautics Administration, Department of Commerce

#### *Advisers*

G. C. Johnson, Lt. Col., U.S.A.F., Flight Division, Director of Operations, Headquarters U.S.A.F.

James L. Kinney, Representative Flight Operations ICAO, Civil Aeronautics Administration, Department of Commerce

The third European-Mediterranean Regional Air Navigation Meeting recommended that this conference be convened to complete the development of an airways system for the European-Mediterranean region. The conference will therefore review the progress in the implementation of an integrated, controlled airways plan for the region as developed by the ICAO Rules of the Air and Air Traffic Services Committee, which recommended that the plan be put into effect not later than September 1, 1952. The plan includes provision for the development of a uniform system of control over military and civilian air traffic.

Delegates to the conference will also discuss common air-traffic-control instructions and in-flight procedures for use in the European-Mediterranean region; the development of an airways designator system; and simplified air-traffic-services procedures for aircraft over-flying the region at levels higher than those dealt with in the controlled airways plan.

## **Renegotiation of Telegraphic and Exchange Rates**

Press release 524 dated July 2

On July 9, 1952, representatives of the United States, Australia, Canada, Ceylon, India, New Zealand, Pakistan, Southern Rhodesia, the Union of South Africa, and the United Kingdom will convene at London to discuss a renegotiation of the telegraphic rates and exchange rates established by a telecommunications agreement signed at London in 1949 which superseded a similar agreement signed at Bermuda in 1945. The United States will be represented by:

#### *Chairman*

Edward M. Webster, Commissioner, Federal Communications Commission

#### *Vice Chairman*

T. H. E. Nesbitt, Assistant Chief, Telecommunications Policy Staff, Department of State

#### *Members*

William H. J. McIntyre, Telecommunications Attaché, American Embassy, London

Jack Werner, Chief, Common Carrier Branch, Federal Communications Commission

Marion Woodward, Chief, International Division, Common Carrier Branch, Federal Communications Commission

It is also anticipated that Ronald Egan, European representative of Western Union; John Hartman, assistant vice president, American Cable and Radio Corporation; Albert Alfred Hennings, superintendent of tariffs, American Cable and Radio Corporation; K. Bruce Mitchell, vice president, Western Union Telegraph Company; and Edwin Peterson, manager, Traffic Bureau, RCA Communications, Inc., will be present in the interests of their several operating companies.

The Bermuda Agreement of 1945 placed ceilings on certain rates to be charged between the United States and the Commonwealth countries and fixed the rate of exchange for the settlement of accounts. In addition, it provided for certain direct radio circuits, to the great advantage of the United States communications industry as a whole, and set certain terminal transit and press rates. This agreement was revised at London in 1949 at the request of the United States, which had found that the ceiling rates originally agreed to were too low to permit charges that would bring U.S. carriers a fair return. Following the London revision, which equalized the effects of the rate structure, the devaluation of the pound sterling adversely affected a number of American companies. It is hoped that the negotiations during the forthcoming conference will remove the penalties on American companies resulting from the present rates of exchange.

## U.S. Participation in the United Nations

### PRESIDENT'S MESSAGE TO THE CONGRESS<sup>1</sup>

I transmit herewith, pursuant to the United Nations Participation Act, a report on the work of the United States in the United Nations during 1951.

This will be my last report, as President, to the Congress on our participation in the United Nations.

I have dedicated my seven years as President of the United States to working for world peace. That has been my paramount aim since becoming President. The first order I issued after being sworn into office on April 12, 1945, was that the United States should carry out its plan to participate in the United Nations Conference, which met on April 25 in San Francisco. Since that time the United Nations has been the mainstay of our work to build a peaceful and decent world.

During these years the United Nations has faced many trials and difficulties. In 1945 there were high hopes that this partnership of nations would quickly lead to permanent peace and the advancement of the general welfare of the nations. But these hopes have been dimmed by the conflicts of the succeeding years and by the hostile attitude of the Soviet Union. As a result, voices have been raised, questioning the value for us of the United Nations and the need for maintaining it.

Nevertheless, in spite of all these difficulties and discouragements, the United Nations remains the best means available to our generation for achieving peace for the community of nations. The United Nations, in this respect, is vital to our future as a free people. In this message I want to explain why this is true and to sum up a few of the reasons why we should continue to support the United Nations in this dangerous period in the history of mankind.

The need for a world organization of nations should have been made clear to us by the First World War. But President Wilson's pioneering efforts to organize world peace through the League of Nations were thwarted by some Americans who still thought we could turn back the clock of history. We had to pay a terrible price for that kind of narrow thinking in the Second World War.

Our victory over the Axis gave us another chance to work with the other nations in a united effort to prevent war. This time we assumed our responsibilities and took part in launching a far stronger world organization for peace.

In the United Nations we have pledged our support to the basic principles of sovereign equality, mutual respect among nations, and justice and morality in international affairs. By the Charter all United Nations members are bound to settle their disputes peacefully rather than by the use of force. They pledge themselves to take common action against root causes of unrest and war, and to promote the common interests of the nations in peace, security, and general well-being.

These principles are not new in the world, but they are the only sure foundation for lasting peace. Centuries of history have made it clear that peace cannot be maintained for long unless there is an international organization to embody these principles and put them into effect.

The United Nations provides a world-wide forum in which those principles can be applied to international affairs. In the General Assembly all member nations have to stand up and be counted on issues which directly involve the peace of the world. In the United Nations no country can escape the judgment of mankind. This is the first and greatest weapon against aggression and international immorality. It is the greatest strength of the United Nations. And because we, as a Nation, sincerely desire to establish the rule of international justice, this is a precious instrument, a great asset, that we should constantly seek

<sup>1</sup>Included in Department of State publication 4583, *United States Participation in the United Nations, Report by the President to the Congress for the Year 1951*, for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C. Price 65¢ (paper). Also contained in H. doc. 449, 82d Cong., 2d sess.

to reinforce, that we should never ignore or cast away.

This great moral value of the United Nations has been clearly demonstrated with respect to the conduct of the Soviet Union.

The Soviet leaders have been dominated by their doctrines of communism, by the concept of the use of force, unchecked by ethical considerations. This concept has led the Kremlin into a course of international conduct, which threatens the peace of the world. By stirring up class warfare, subverting free governments, and employing lies, intimidation, and conquest, the Soviet Union has pursued a policy of extending its control without regard to the sovereignty of other nations or respect for their rights.

This policy might have been irresistible if it had not been clearly and decisively brought to the bar of world opinion in the United Nations.

The proceedings of the United Nations, time and time again, have proclaimed to the world that the Soviets have not lived up to the principles of liberty, morality, justice, and peace to which they profess to subscribe. Through the United Nations the international conscience has relentlessly exposed and sternly resisted the attempts of the Kremlin to impose a rule of force upon the peace-loving nations of the world.

This process has strengthened freedom. It has given courage to the faint-hearted, who might otherwise have yielded to the forces of communism. It has presented the truth to those who might have been deceived by Communist propaganda. And, as a result, the principles of international justice, of freedom and mutual respect, still exercise a far greater sway over the minds of men than the false beliefs of communism.

By itself, of course, this moral function of the United Nations would not be enough. The collective conscience of the world is not enough to repel aggression and establish order. We have learned that moral judgments must be supported by force to be effective. This is why we went into Korea. We were right in what we did in Korea in June 1950; we are right in holding firm against aggression there now.

Korea might have been the end of the United Nations. When the aggression began, the free nations might have yielded their principles and followed the dreary road of appeasement that, in the past, had led from Manchuria to Munich and then to World War II. But Korea had the opposite effect. When the Communist aggressors brutally violated the Republic of Korea, the United Nations acted with unprecedented speed and rallied the international conscience to meet the challenge. And, with our country proudly in the lead, the free nations went into the conflict against aggression.

It is profoundly heartening to remember that far-off Ethiopia, which had been one of the first victims of the fatal policy of the 1930's, sent troops

to fight in Korea. The free nations now understand that nobody can be safe anywhere unless all free nations band together to resist aggression the first time it occurs.

In Korea the United Nations forces have repelled Communist aggression, they have forced the aggressors to abandon their objectives and negotiate for an armistice, and they have demonstrated that the course of conquest is mortally dangerous. The success of the United Nations in repelling the attack in Korea has given the free world time to build its defensive strength against Communist aggression.

We are working to strengthen the United Nations by building up a security system in accordance with the purposes of the Charter that will protect the community of nations against aggression from any source. We are working, in important regions of the world, to build the pillars of this collective strength through the North Atlantic Treaty Organization, the Rio treaty, and the security treaties in the Pacific. All this is being done under the Charter as a means of fulfilling the United Nations purpose of maintaining world peace. The progress we have made since the Korean aggression started has now begun to tip the scales toward real security for ourselves and all other peace-loving peoples.

Such measures are necessary to meet the present threat of aggression. But we cannot admit that mankind must suffer forever under the burden of armaments and the tensions of greatly enlarged defense programs. We must try in every way not only to settle differences peaceably but also to lighten the load of defense preparations. In this task the United Nations is the most important if not the only avenue of progress.

On October 24, 1950, in an address to the General Assembly of the United Nations, I outlined the principles which must guide disarmament. This was followed up by concrete proposals, which were presented at the 1951 session of the General Assembly in Paris. These proposals involved a world census of armaments, a reduction of armaments and armed forces, and the elimination of weapons of mass destruction, all under a foolproof system of inspection. The Disarmament Commission of the United Nations is now discussing these proposals, and if they are adopted they will not only enhance world security but also free vast energies and resources of the world for constructive ends. This program of disarmament offers a way out of the conflict of our times. If the Soviet Union will accept it in good faith, it will be possible to go forward at the same time to reconcile other conflicting national interests under the principles of international morality.

These disarmament proposals emphasize anew that our objective is world peace. We hope that the day will come when the Soviet Union, seeing that it cannot make aggression and subversion work, will modify its policies so that all nations

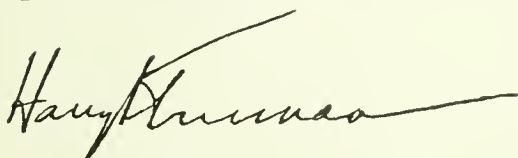


can live together peacefully in the same world. Therefore we must continue to test Soviet willingness to take tangible steps toward easing international tensions. We must continue to keep the door open in the United Nations for the Soviet Union to join the great majority of countries on the road to peace.

Among the nations of the free world, the United Nations performs the valuable function of settling disputes and terminating conflict. It has been notably successful in localizing and diminishing dangerous situations which might otherwise have torn the free world apart and paved the way for Communist expansion. In Indonesia, Palestine, and Kashmir the United Nations stopped serious fighting and persuaded the combatants to take steps toward a peaceful settlement of their differences. In many other cases the United Nations has prevented disputes from erupting into violence.

We must remember that the challenge of international lawlessness is not only military but also political and economic. The United Nations is helping dependent peoples to move toward greater freedom. The United Nations is taking measures to promote extensive international progress in such fields as agriculture, communication and transportation, education, health, and living standards. Its technical assistance programs and our own Point Four activities are providing dramatic examples of tangible accomplishments at relatively little cost. The United Nations in this way is helping to build healthier societies, which in the long run are the best defense against communism and the best guaranty of peace.

During the past seven years our work in United Nations has been carried out on a strictly nonpartisan basis. Able men and women from both political parties and both Houses of Congress have represented this country in the General Assembly. Nevertheless partisan attacks have been made on the United Nations. Some of these attacks are made in a spirit of impatience that can only lead to the holocaust of world-wide war. Most of those who urge us to "go it alone" are blind to the fact that such a course would destroy the solid progress toward world peace which the United Nations has made in the past seven years. I am confident that the American people will reject these voices of despair. We can win peace, but we cannot win it alone. And, above all, we cannot win it by force alone. We can win the peace only by continuing to work for international justice and morality through the United Nations.



THE WHITE HOUSE,  
July 3, 1952.

## STATEMENT BY THE PRESIDENT

White House press release dated July 3

I have sent up to Congress today a report on this country's activities in the United Nations during the last year.

As I said in my letter of transmittal, I believe the United Nations is the mainstay of our work to build a peaceful and decent world. I think the United Nations is vital to our future as a free nation. I am sure that the great majority of the people of the United States, regardless of political party, support the United Nations.

I have asked Mrs. Roosevelt to talk about the United Nations at the Democratic National Convention, and she has kindly consented to do so. I made this request because Mrs. Roosevelt has rendered a great service to her country in her work at the United Nations and because I want everyone to appreciate clearly what the United Nations means to us.

## THE DEPARTMENT

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John Durnford Jernegan as Deputy Assistant Secretary for the Bureau of Near Eastern, South Asian and African Affairs, effective July 1, 1952.

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## U.S. Suspends Publication of Russian-Language Magazine "Amerika"

Toward the end of World War II the Department of State, in an effort to improve Russo-American understanding, made an unprecedented proposal to the Soviet Government. It proposed that an official U.S. Government magazine be circulated in the Soviet Union. Five months of negotiations in 1943-44 finally resulted in approval of the magazine *Amerika* by the Soviet Government. The U.S.S.R. agreed to handle circulation of 10,000 copies through its own distributing agency, Soyuzpechat.

*Amerika*, as a magazine telling of American life, never attacked or even discussed Soviet institutions or policy. However, it soon became evident that the Soviet Government was disturbed at the existence of a publication permitting its citizens easy and frequent comparison between life in the United States and in the U.S.S.R. The Kremlin's efforts to curtail effectiveness of *Amerika* by restricting its circulation became increasingly drastic.

The story falls into three phases: (1) Early flourishing: tolerance by the Soviet Government (1945-47); (2) indirect attack by intimidation of readers: the mounting anti-American campaign (1947-52); and (3) direct attack by cutting distribution (1950-52).

After 7 years and 53 issues of publication, the Department of State has reluctantly decided that mounting Soviet obstructions to *Amerika's* distribution has made its continued publication undesirable.

### Tolerance by the Soviet Government (1945-47)

The first issue of *Amerika* appeared in January 1945. Its size and format were similar to that of *Life* magazine. Since it was designed with a "people to people" approach—to bring the United States as close as possible to Russians who could never go there—it contained many pictures, including color photographs on the cover and inside. Paper and printing typified the best American typographical standards. On first seeing the magazine, a professional Soviet writer commented enthusiastically:

### Text of U. S. Note

Press release 553 dated July 14

*The Department of State on July 15 announced the suspension of Amerika, Russian-language magazine produced by its International Information Administration for circulation in the Soviet Union, and at the same time directed the U.S.S.R. to suspend Soviet Embassy publications in the United States. Soviet publications suspended in retaliation are the U.S.S.R. Information Bulletin, supplements to the Bulletin, and pamphlets distributed by the Soviet Embassy. The text of the U.S. note follows:*

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Union of Soviet Socialist Republics and has the honor to state that it has been instructed to inform the Soviet Government that publication of the magazine "Amerika" is being suspended immediately.

Since the beginning of 1949 it has become increasingly apparent that the Soviet Government, through its agencies, has been engaged in progressive restriction of the full distribution and free sale of the magazine. As a result of this obstruction the number of copies which can be presumed to reach the Soviet public has become so small as not to justify a continuation of this effort of the Government of the United States to supply Soviet readers with a true picture of American life and thus to promote understanding between the two peoples.

In view of the evident unwillingness of the Soviet Government to reciprocate the privileges granted by the Government of the United States to Soviet publications, the Soviet Government is requested to suspend immediately the publication and distribution in the United States of the U.S.S.R. *Information Bulletin* and supplements thereto. The distribution in the United States by the Soviet Embassy in Washington of pamphlets published at the expense of the Soviet Government or its organs should also be suspended.

The Government of the United States will consider resumption of the publication of "Amerika" at such time as the Soviet Government is willing to grant the magazine the same freedom of publication, distribution and sales which has been accorded Soviet publications in the United States and to grant to representatives of the United States Government facilities which would make it possible for them to verify the extent of distribution actually made.

The paper must come from the United States, because there is nothing like it in the Soviet Union. In fact, we cannot match this magazine at all. We have *Ogonyek*,<sup>1</sup> but it is nothing compared to *Amerika*.

The Moscow correspondent of the New York *Times*, catching the flavor of *Amerika*'s early days in Moscow, reported on October 25, 1945:

Sudden quivers of excitement shot through American offices in Moscow yesterday. Succession of visitors opened doors and made anxious inquiries. Telephones kept buzzing. What had happened was very simple. Word had leaked out that advance copies were being distributed of the third issue of *Amerika*. . . . Naturally, everyone wanted a copy at once. . . . No advertising and no editorials. Just information about America. . . . When *Amerika* appears it is a great day in Moscow. . . .

And the correspondent of *Time* magazine cabled (issue of March 4, 1946):

*Amerika* was hot stuff. Russians liked its eye-filling pictures of Arizona deserts, TVA dams, the white steeples of a Connecticut town, Radio City, the Bluegrass country, the Senate in session, Manhattan's garment district.

### Evidences of Popularity

In content, *Amerika*'s only "formula" was to present the truth about life in the United States as vividly as possible. It featured profiles of average Americans—an Iowa farmer; a steelworker in Gary, Ind.; a white-collar girl in Chicago; an Oklahoma oil worker; a country doctor in Colorado. Advances in American industry, science, and medicine were described for the increasingly important professional groups in the U.S.S.R. Art, music, theater, and movies were treated regularly for culture-conscious Soviet readers. The operation of the American Government, its labor unions, its schools and colleges were explained. No direct comment on the Soviet system was ever made.

Signs of *Amerika*'s popularity soon appeared. Newsstands sold out their copies a few hours after it went on sale. Would-be readers unable to obtain the magazine telephoned the American Embassy for copies. Second-hand copies began to be privately sold on the street above the original price of 10 rubles; sometimes single pages entered the market. The magazine even came to be used as a medium of exchange. On one occasion, the promise of a copy was the only lure by which an American official could persuade a reluctant Soviet plumber to fix his bathtub. A woman reader stated that a doctor refused to treat her unless she could supply him with a new issue of the magazine.

Despite the general restrictions imposed by the Soviet Government on contacts between Russians and Americans, many comments from readers were gathered by Russian-speaking members of the American Embassy staff in the course of conversations with Russians on trains, in parks, between acts at the theater, and in other public

<sup>1</sup> *Ogonyek* ("Little Flame") is the largest and most elaborate picture-and-text magazine in the U.S.S.R.

places. For example, an article on commercial transoceanic flying elicited approval of a Soviet Air Force lieutenant colonel, who particularly commented on safety factors. A surgeon was fascinated by the pictures of operations in an article on anesthesia and was amazed by the equipment shown. An engineer was "astounded" at the "impossible" things being done with plywood in America, as reported in an article on wood products. A university professor, when asked which picture of the United States Russians believe—that presented by the Soviet press or as portrayed in *Amerika*—replied that they distrust their own press and believe *Amerika*.

Reports from Americans on the Embassy staff also contained these observations on the magazine's circulation:

I was passing the newsstand on the corner of Gertzen and Nikitski Streets in downtown Moscow as issue No. 19 went on sale. In the course of 15 minutes, almost every person who passed the stand commented, "Ah, *Amerika* est" (*Amerika* has come). All copies were bought.

Sunday afternoon, at the newsstand near the Maly Theater, there was a line of 15 people waiting to buy the magazine.

A spectator at a football match between the Dynamo and Spartak teams read a copy of *Amerika* between the halves. His neighbors craned their necks to look over his shoulder.

A conversation was overheard in a post office between the clerk and a man who was mailing a copy of *Amerika* to his brother in Alma Ata (Soviet Central Asia). The man impressed on the clerk that this was a copy of *Amerika* which he had wrapped carefully, and he asked that she give it special handling.

A tour through the center of the city the day No. 27 went on sale showed that many persons were buying copies and that some were reading it on streets and in restaurants.

A Russian was seen near a second-hand book shop offering several old issues for sale.

### Increase from 10,000 to 50,000 Copies

On the basis of the broad popularity which *Amerika* quickly achieved with Soviet readers, it was obvious that the circulation of 10,000 copies allowed by the Soviet Government under the original 1944 agreement was far short of satisfying the demand. Therefore, in 1946, an authorization to increase circulation to 50,000 copies was requested from the Soviet Government.

After the sending of three notes and an oral request by Ambassador Walter Bedell Smith, authorization was granted in a note, dated April 23, 1946, from S. A. Lozovski, then Deputy Minister for Foreign Affairs, to Ambassador Smith. The note stated that the distributing agency could "undertake the distribution of 50,000 copies of *Amerika*, starting June 1, 1946."

After this increase to 50,000 copies, distribution of the magazine was, until 1949, reasonably satisfactory. Although the Soviet Government never complied with the Embassy's requests for a nationwide breakdown of circulation figures, there was evidence that *Amerika* was distributed outside

Moscow. The Embassy received reports in 1947 and 1948 that the magazine was being sold in over 20 cities and towns, including Leningrad (northern Russia); Tiflis and Baku (Caucasus); Khar'kov (Ukraine); and Saratov and Stalingrad (Volga River).

The situation in 1947 was summed up by Neal Stanford, correspondent of the *Christian Science Monitor*, as follows:

Each month fifty thousand copies are put on sale at Soviet newsstands for 10 rubles. . . . They are said to disappear, however, quicker than such scarce commodities as butter and bananas during the war. If the Kremlin would permit the United States to ship more copies into Russia it could sell five or ten times the present number. The scarcity puts a real premium on them, so that second-, third-, fourth-, and even fifth-hand copies sell on the "black market" at several times the original price.

### Intimidation of Readers (1947-52)

During the spring of 1947, Soviet propaganda launched a virulent attack on all things American, which has continued ever since with mounting intensity. *Amerika's* popularity with Soviet readers was obviously hampering this attack. The first step taken to combat its effect was a series of bitter criticisms in the press, aimed at deterring Soviet citizens from buying or reading the magazine. The first of these appeared on August 10, 1947, in the journal *Culture and Life*. The article, "A Catalog of Noisy Advertisement" set the pace for tactics used throughout the campaign. The article stridently and contemptuously dismissed *Amerika* as vulgar, false, and wicked; it admitted to no virtues in the magazine.

It is significant that the Embassy received several anonymous telephone calls after publication of this first *Culture and Life* article. The callers expressed the hope that the article would not be accepted as reflecting "general opinion" of *Amerika*.

Since that time, over 35 separate press attacks have appeared, in the guise of "reviews" of single articles or diatribes against the magazine as a whole. The usual line was that the magazine was "lying," "decadent," and "rotten bourgeois journalism."

The technique was to use an *Amerika* article as a springboard for a polemic against some phase of American life, rather than to make any specific refutation of the article in question. For example, *Pravda* of June 4, 1951, attacked an *Amerika* article entitled "Wages and Prices in the United States," which, by pointing out that the average living standard in the United States had improved 40 percent since 1940, directly contradicted Soviet propaganda about inevitable depressions and poverty-stricken workers. The *Pravda* article stated flatly: "Almost three-quarters of the population of the U.S. constitute indigent masses who are starving or under threat of starvation." Accusing the magazine of giving Soviet readers "Amer-

ica in saccharine syrup," the author, David Zaslowsky, leading Soviet "critic," accused *Amerika* of "telling fairy tales on wages and prices" to the Soviet people, who, he said, "know no poverty or unemployment, but only grandiose peaceful construction."

There was evidence that the Soviet Government feared *Amerika's* competition in relation to Soviet magazines. In 1948 the Central Committee of the Communist Party gave a severe dressing-down to *Ogonyek*, *Amerika's* nearest counterpart in the Soviet Union, charging it with publishing "second-rate articles," saying that it "suffered from monotony and lack of imagination," and contained "too many small photographs and few colored photographs." *Ogonyek* was ordered to "drastically improve its production," especially in printing more and better color pictures.

In addition to attempts at intimidation through the press, direct pressure was applied to readers. Cases were reported of purchasers of *Amerika* being questioned by the police and having their copies confiscated. Readers who had formerly called at the *Amerika* office, located in a building separate from the Embassy to obtain copies, now ceased to do so since a policeman was stationed at the door. In 1949 telephone inquiries about the magazine, formerly averaging 10 or 20 a week, abruptly dropped off to 1 or 2 a month. Russians to whom copies were offered on trains read avidly as in the past but were more careful about being seen and refused to carry the copies home with them.

On the whole, however, the intimidation campaign was a failure. For one thing, the planners of the press attacks failed to realize that this press attention helped to publicize the magazine and increased demand for it. When they realized this, the frequency of the attacks diminished. Basically, however, intimidation failed because there were too many enthusiastic readers willing to take some risk to obtain *Amerika*. These "regulars" had come to depend upon the magazine.

Although the press attacks and other methods of attempted intimidation continued, stronger measures were needed to cut off *Amerika* at the source.

### Distribution Cut (1950-52)

In December 1949 the Soviet distributing agency abruptly informed the Embassy that "unsold copies" of *Amerika* would henceforth be returned. This was the first intimation of any sort from the Soviet Government that the magazine had been anything other than a complete sell-out; during the previous 5 years, every issue had been paid for in full. The Embassy, therefore, replied by asking the distributor to supply details as to national distribution and number of copies sold, citing extreme inadequacies in distribution which had developed outside of Moscow, specifically in the city of Vladivostok, where offi-

cial of the American consulate (since closed, but then the only center of U.S. personnel in the U.S.S.R. outside of Moscow) had never been able to observe the magazine on sale. The distributor's answer, dated February 11, 1950, stated that *Amerika* was sold in "70 cities of the Soviet Union, including all the largest centers" and that "in every one of these cities *Amerika* magazine is on sale at from 3 to 50 newsstands, depending on the size of the city." No information was given as to which cities were involved, or how many copies went to each.

Regarding the number of copies sold, the distributor cited figures purporting to show a progressive decline in circulation during the year 1949 of almost 50 percent. Throughout this period, when sales were alleged to have "declined," the distributor had continued to pay in full for each issue.

Such a sudden "drop in sales" of a magazine which had an established readership and popularity over a 5-year period seemed quite implausible to Embassy officials, especially since they continued to receive enthusiastic comments from readers; vendors were still to be observed selling second-hand copies on the streets of Moscow, and during 1949 the Soviet authorities issued nine separate attacks on the magazine in their press and radio.

#### **Embassy Protests to Foreign Ministry**

In a note to the Foreign Ministry dated March 21, 1950, Ambassador Alan Kirk said that the distributor's reply was unsatisfactory, that distribution methods were inadequate, and that "all information at the Embassy's disposal indicates that well over 50,000 copies could be sold in the Soviet Union if distribution were made in a satisfactory manner." The note also referred to the absence of copies at Vladivostok, and reminded the Ministry that the Soviet Government was "distributing freely in the United States an official publication of the Soviet Embassy in Washington and other information media."

The Ministry's reply, dated March 31, 1950, repeated the distributor's statement that *Amerika* was distributed in 70 cities but named only Vladivostok; denied that any deterioration of distribution had occurred; referred to a "fall in demand" for the magazine; and stated that "the Ministry cannot have influence for increasing demand on the part of Soviet citizens for the magazine *Amerika*." Allegations were also made that the distribution of the Soviet Embassy's *Information Bulletin* was not free and that "U.S. officials systematically put obstacles in the path of distribution of the *Information Bulletin*." (This latter charge may have been based on the fact that certain schools and libraries in the United States, entirely of their own volition, had removed the Soviet *Bulletin* from their shelves and asked that their names be stricken from the distribution list.)

In its reply, dated May 26, 1950, the United States Government expressed regret that the Soviet Government appeared unwilling to continue to carry out the 1946 arrangement to distribute 50,000 copies. It stated that it was "impossible to accept" the Ministry's statements on lack of reader interest in *Amerika*. This Government also announced a price cut from 10 to 5 rubles as a measure to give the magazine maximum availability. Ambassador Kirk's note summed up the situation, as follows:

My government, which in the present instance as in the past, desires to make every possible effort to develop and increase exchange of ideas between our countries, sincerely hopes that the Soviet government will show itself more cooperative regarding this magazine than it has with regard to other suggestions for cultural exchange in recent years.

A reply from the Foreign Ministry on June 20, 1950, denied that an agreement ever existed to distribute 50,000 copies. It stated that questions regarding the magazine's circulation were matters "having a commercial character" and hence were not in the province of the Ministry but should be taken up with the distributor. The note closed with the statement that "on the part of the Soviet government there has not been and is no prohibition or limitation whatever of the free sale of the magazine *Amerika* in the U.S.S. R."

The U.S. reply, dated August 25, 1950, stated that the U.S. Government could not agree that there had never been any prohibition or limitation on free sale of *Amerika* in the past but expressed the hope that Moscow would speedily validate its claim to that effect. Furthermore, in view of the statement that questions of circulation were in the province of the distributor, the Ministry was informed that the Embassy "is presenting a series of suggestions for improving and extending the distribution of the magazine *Amerika*." The note concluded:

My government understands that, in the light of the statement that there is no limitation on the free sale of *Amerika*, the Soviet government will place no obstacles in the path of this further American attempt to increase understanding and the exchange of ideas between the American people and the peoples of the U.S.S.R.

#### **Negotiations With Distributor**

On August 2, 1950, a series of proposals for better distribution of the magazine was made to the distributing agent, Soyuzpechat. These included:

1. Distribution at more than the 20 newsstands in Moscow then being supplied and increasing the distribution outside of Moscow.
2. Advertising the magazine both in *Amerika* itself and in the Soviet press.
3. Use of posters and placards at newsstands.
4. Institution of subscriptions in addition to newsstand sale.

In a conversation during which a memorandum containing these proposals was submitted, the



head of Soyuzpechat requested that the Embassy report details of unsatisfactory distribution as they arose. On September 29, 1950, and February 17, 1951, the Embassy gave detailed reports to Soyuzpechat of declining distribution both in and outside of Moscow. The reports showed that over a period of more than a year the magazine had been offered at fewer and fewer Moscow newsstands, dropping from 20 to an average of 3 or 4; travelers saw none in other cities.

On April 17, 1951, the Embassy summarized the evidence:

The Embassy can only conclude that the distributor has deliberately embarked on a campaign of dilatoriness in handling the magazine, and of limiting its distribution. The Embassy would welcome your assurances that you are prepared to distribute the magazine properly for sale in the Soviet Union.

On May 15, 1951, the Embassy received a belated reply from the distributor to its three letters. The letter read in full:

I received your letter of April 17. Measures have been taken by Soyuzpechat to remove existing technical defects in the distribution of the magazine through our retail network.

This brief and somewhat vague reply was, notwithstanding, the first admission that the maldistribution charged by the Embassy existed.

On June 14, 1951, the Embassy protested to Soyuzpechat that issue 46 of *Amerika*, which contained the article on "Wages and Prices in the United States," attacked in *Pravda*, had been removed from circulation by the Soviets shortly after the attack appeared.

On July 10, 1951, the Embassy protested the delay in reporting on sales. Reports on the last six issues had been delayed from 100 to 300 days after receipt of the issue by Soyuzpechat. Normally they should have been available the following month. On July 18, Soyuzpechat reported on sales of five of the six issues in the following letter:

Figures were not reported to you previously, since this question is connected with the receipt of reports from local agencies; i.e., from 70 cities in which the magazine is distributed.

On August 3, 1951, the Embassy again requested an answer to its proposals for improving distribution, submitted almost a year before. In an attempt to elicit some sort of answer from Soyuzpechat on national distribution more explicit than the oft-repeated "70 cities," Soyuzpechat was asked to supply details on distribution in the following 15 cities, including the largest centers in the U.S.S.R.:

Moscow	Kiev
Leningrad	Odessa
Gorki	Dnepropetrovsk
Rostov	Minsk
Stalingrad	Baku
Sverdlovsk	Tbilisi
Novosibirsk	Erivan
Kharkov	

A reply to this letter was received on August 17. Soyuzpechat again offered its standard reply: "The magazine *Amerika* is distributed in more than 70 cities in the U.S.S.R. . . ." No further details were given. However, after a year's delay, the letter gave replies to the Embassy's proposals for improvement of distribution. These were as follows:

*On subscriptions:* "Distribution by subscription was not agreed on." (This was interpreted to mean: "Since there was no mention of subscriptions in the original agreement, we can never discuss the question".)

*On advertising:* "In regard to the hundreds of magazines published in Moscow, the practice of advertising them does not exist." This statement simply is not true. Advertisements of forthcoming publications are frequently carried in Soviet periodicals and newspapers.

On November 20, 1951, the Embassy made a last attempt to obtain information on *Amerika's* distribution. Soyuzpechat was reminded that it had ignored the Embassy's request of August 3 for a breakdown of circulation for 15 of the major cities of the U.S.S.R., and the request was repeated.

In Soyuzpechat's reply dated December 6, 1951, this query again was ignored completely.

#### Further "Decline in Sales"

While the above-described negotiations were going on, sales figures, as belatedly reported by Soyuzpechat, had been steadily declining. From 27,000 in December 1949, alleged "sales" decreased to a low of 14,000 as of March 1952 and 13,000 in June 1952. During the same period, unofficial reports received by the Embassy showed that not a single copy was on sale in cities other than Moscow. Thus, it appeared questionable whether even 13,000 copies were being distributed by Soyuzpechat as claimed in statements to the Embassy.

Meanwhile, the "unsold" copies returned by the Soviets have been used in countries outside the U.S.S.R to reach *émigrés* and escapees from the Soviet Union and satellites. During the first negotiations with the Soviets in the spring of 1950, a world-wide survey was made to determine the most useful outlets for returned copies. This disclosed a potential audience of at least 200,000 Russian and other Slavic peoples who could read Russian. Returned copies, ranging from 25,000 to 35,000 an issue, have been distributed to these groups in such countries as Germany, Iran, Israel, Brazil, Greece, Sweden, and Argentina.

#### Censorship

As an absolute condition to the admission of any such publication from America, the Kremlin had insisted that all copy for *Amerika* be subject to precensorship in Moscow. Vyacheslav M. Molotov explained that this censorship was "purely

a wartime emergency measure." For 6 years, however, censorship was not a problem, since the censor's cuts were rare and consisted of only a sentence or two at a time. In 1951, however, the censor started on a new policy of rejecting entire articles. One of these, "The World's Conscience," consisted of the full text of the United Nations Declaration on Human Rights. Another was a comparison of the operation of public opinion in democracy and dictatorship, using Nazi Germany as the example of the latter. The third was a biographical article on William Saroyan.

The method of rejection used by the censor was simply failure to return the texts of these articles. When the Embassy requested their return with written notation of rejection, the censor refused. When the Embassy repeatedly telephoned to ask him the reason for rejection, he refused to come to the telephone and callers were referred to a clerk. The clerk finally stated, still over the telephone and not in writing, that the articles were rejected because they were "not objective."

### Conclusion

Despite the Soviet Government's reports of declining circulation over the past 6 months, Department of State officials believed that it might still be reaching some Russians and were reluctant to suspend publication. However, the mounting restrictions placed on distribution and the lack of evidence that it was reaching any Russian readers led to the decision that suspension would be in the best interests of the United States at this time. The Department is ready to resume publication as soon as the Soviet Government is prepared to permit free circulation in the U.S.S.R.

## Secretary's Impressions of His Recent Visit Abroad

Press release 559 dated July 16

*At his press conference on July 16, Secretary Acheson made the following extemporaneous remarks concerning the impressions he gained during his recent visit to the United Kingdom, Berlin, Vienna, and Brazil:*

I suppose what is useful to talk about is not so much an itinerary but outstanding impressions.

The meetings that I had, the discussions that I had in England, were primarily business discussions. Those are pretty well covered by the note which has come out in answer to the Russian note on Germany so I won't dwell on those.<sup>1</sup> It

is the sort of meeting which we have had many times before.

The visits to Berlin, Vienna, and Brazil were not for the purpose of conducting business. They were for the purpose of having a Cabinet officer, the Secretary of State of the United States, go to these various countries because they wished me to come, and invited me to come, as an expression in my presence of the great interests of the Government of the United States in the peoples of Berlin, the peoples of Vienna, and in our great sister Republic of Brazil.

Now the impression that I get from that is the tremendous confidence, certainly in these three parts of the world, and the tremendous friendship which exists there for the United States—the belief in the power of the United States, the disinterestedness of the United States, our desire to be helpful and friendly and not to impose ourself upon others. That stood out in all three of these places.

There is great trust and great confidence in us, and I wish everybody in the United States could realize that fully, because it brings to us a correlative responsibility that we should perform in a way which is worthy of that confidence and that trust.

The atmosphere in all of these places was different. I don't think that I have ever been in the presence of such an impressive assembly as there was in the great square in Berlin when we laid the cornerstone of the American Library.<sup>2</sup> It was estimated that upwards of 90,000 Germans were standing in the sun through quite a long ceremony on a hot day, while the mayor, various other dignitaries of the city, the High Commissioner, John J. McCloy, and I made speeches. The stone was laid and for over an hour in the hot sun 90,000 people stood there warmly applauding on certain occasions.

After this was all over, there were crowds of people that gathered around McCloy and me, many of them coming from the Soviet areas of Germany—people pushing at me their passports, or their travel papers to indicate that they lived in the eastern sector of Berlin, or in the Soviet sector somewhere, and asking for a word or something, some expression, some chance to talk with me for a moment or two. One old lady said that this was something that she was going to cherish for months and months and months—this would be the thing that she would think over to give herself hope; that she had spoken to me and that I represented America.

It was very impressive: the grim determination of those Berliners to stay with it, to hold on to their freedom. It was a great experience, a great thing to see. I had an opportunity to meet and

<sup>1</sup> For text of the July 10 tripartite note on Germany, see BULLETIN of July 21, 1952, p. 92.

<sup>2</sup> For text of the Secretary's remarks on this occasion, see *ibid.*, July 7, 1952, p. 3.

talk with the mayor and most of the submayors of the western sectors of Berlin at dinner the night before. We did not attempt to transact any business but we talked, got an understanding of one another's point of view. From there we went to Vienna.

In Vienna one had the same feeling of determination. The situation was not as exposed in Vienna because the Government of Austria is operating in the Soviet parts of Austria, but there was the same determination to maintain their freedom, and the same attitude that the Russian occupation was a passing thing, that it was not accepted as anything permanent.

I met with the President of Austria, who is a most distinguished and fine gentleman indeed, and talked with Chancellor Leopold Figl, the Vice Chancellor, the Foreign Minister, and many members of the party. I was there only two nights and one day, but I saw a vast number of people.

Perhaps one of the most striking things to me was coming into Vienna. We landed at our airport, which is in the Soviet area—it's 20 miles out of Vienna. And we came in on the railroad. The train consisted of a locomotive, a baggage car, and one sort of observation coach at the back with large glass windows. It was a Sunday and people were out, either bathing or boating on the Danube or playing games in a sort of park area between the railway track and the Danube. There were great crowds of people and as our train came along—sometimes just along the railroad track, at other times at crossroads or little stations or where the train would go through a small village—in all the backyards and up on the roofs of the houses there were masses of people waving handkerchiefs, towels, flags, everything at this train as it went by.

In some little places, signs woven out of flowers that said "Welcome" were put up. You would see in the background some Russian soldiers walking about. But nobody paid any attention to that. These crowds were expressing a cordial, warm, friendly attitude toward us.

The Chancellor kept saying at our meetings in Austria that I was the first Cabinet officer in the whole history of the United States who had ever visited Austria; that he was the first head of the Government of Austria who had ever visited the United States. This was a symbolic thing which brought comfort and reassurance to the Austrian officials and the Austrian people. It was something which I was profoundly happy that I had done—this visit to Austria.

After that day and two evenings, we left on our long journey to Brazil. The evenings were typically Viennese, very charming. The first evening we were there the Chancellor had a performance of *The Marriage of Figaro* in the little theater in the Winter Palace which had been built by the Emperor for the performance of Mozart. This performance was beautifully done, exquisitely

done. And afterwards we met the artists and had supper with them.

The next evening he had a dinner for us, and after the dinner some artists from the opera sang and then he had a surprise for us, and the surprise was a performance by the children who were in the Ballet School in the Vienna Opera, the Children's Ballet. These little girls who I suppose were 6, 7, or 8 years old put on a most charming and delightful ballet, which was beautifully done.

From Vienna we had two hard days of flying, one long day across the Alps, through the Mediterranean, along the coast of Africa, leaving at about nine in the morning and getting into Dakar at about ten at night. We had a very brief look at Dakar, which is a most impressive city. The French are doing great things in Dakar. A beautiful city is arising on this hot West Coast of Africa. All sorts of housing developments are going on for the people. You see on one side of the road what is left of some primitive sort of brush and straw shacks which are being removed while on the other side of the road the French are building very neat, fine, little cement houses, and as they clear away one of these old shacks they replace it with the new, clean, painted cement structures. Great school buildings are going up all the way out from Dakar to the airport. It was very interesting to me. We stayed with, and I had most interesting talks with, a most able and energetic French High Commissioner.

We then flew to Brazil, and again, without going into details, what struck me so forcefully in Brazil was the warmth, the cordiality, the friendliness, with which I was received by all the Government people—President Getulio Vargas; the Foreign Minister, Nevas da Fontoura; the Finance Minister, Horacio Lafer; the head of the Banco do Brasil, Mr. Ricardo Jaffet.<sup>3</sup> All these people were warm and friendly and cordial, but everywhere on the streets there were crowds of people who were equally warm and cordial. And that is one outstanding impression. There is affection, regard, for the United States and a complete lack of any worry about our attempting to dominate or impose.

The other great impressions I received were of the vigor and vitality and growth of Brazil. One knows this, one looks at the map, one reads reports. But to fly over it all day long from early morning until it gets dark—every different kind of country—to see and hear the reports of the Joint Commission as to the colossal resources which are being discovered; to see the energy and beauty of Rio, and then go to São Paulo and see a city which is now 2.5 million, which has grown a million in the last few years, and which has almost any industry that you can think of located there; this just boiling ahead with terrific power and

<sup>3</sup> For texts of addresses made by Secretary Acheson at Rio de Janeiro and at São Paulo, see *ibid.*, July 14, 1952, p. 47, and July 21, 1952, p. 87.

terrific energy—what you see here is a country already great, which is entering upon a period of development to which you can see no end. There are no limits to the possibilities of this country.

I met with the Joint Commission made up half of Americans and half of Brazilians, who are working out projects for the consideration of the Export-Import Bank and the International Bank and others here in the United States. Here I was struck by the great competence of everybody involved. We have under the leadership of Eddie Miller\* here sent down competent men to work on the United States side, and they are certainly matched and pushed hard by the competent people which the Brazilians have put on the Brazilian side—engineers, economists, sociologists of the greatest ability. And they have gone about this thing in a most intelligent way.

You can be utterly flummoxed by the vastness of the problem if you start sitting down and deciding everything that should be done to develop Brazil. In the first place, you would be wrong—you couldn't, your mind couldn't encom-

pass it; it's too vast a problem. So what the Joint Commission undertook to do was to concentrate on those things which must be done in order to permit the great development which will come from private effort and private initiative; and those things which have to be done are the creation of power, creation of transport, and the creation of harbors. If you can do those things, none of which are for the best opportunities for private investment, then you have laid a foundation where anything can happen through private effort and that's where the Joint Commission is concentrating its effort, and that is where the two banks are concentrating their effort. And it's already having tremendous results.

Well, as I say, the outstanding impressions of my trip to Brazil were the great friendliness of the Brazilian people, officials, and private citizens—the belief that we have a great friend and a great ally in Brazil, and the terrific possibilities of that country, both in the present and in the future.

That is a brief résumé of impressions.

## Progress Toward European Integration

### TENTH QUARTERLY REPORT OF THE U.S. HIGH COMMISSIONER FOR GERMANY

*On March 31 John J. McCloy, U.S. High Commissioner for Germany, submitted to Secretary Acheson and to Mutual Security Director W. Averell Harriman his 10th Quarterly Report on Germany for the period January 1–March 31, 1952. The report was released to the press in Washington on July 11. It contains sections entitled Decisive Steps Toward European Unity, The Contractual Agreements, Negotiating a West German Financial Contribution to Western Defense, Southwest State Elections, Berlin Guards Its Heritage, The American Houses in Germany, and West Germany's Stranded People. The last-named section, which summarizes the postwar refugee problem, is reprinted here, together with Mr. McCloy's letter of transmittal to Secretary Acheson and Mr. Harriman.*

#### LETTER OF TRANSMITTAL

I have the honor of transmitting my Tenth Quarterly Report covering the period from January 1 to March 31, 1952.

Notwithstanding its tensions and dramatic de-

velopments of international scope, this period marked significant progress and again demonstrated that the idea of integration was beginning to take roots in Western Europe. The fact that attempts, though still undeveloped, were again made to remove the Saar question as a constant irritant in Franco-German relations was a hopeful sign, particularly as many of the proposed solutions involved a so-called European dealing with the issue; the NATO Council at its Lisbon meeting settled a series of difficult problems including the relationship between NATO and EDC; the German financial contribution to defense was subsequently agreed upon; and both the Federal Lower House and the French National Assembly, although with reservations, empowered their governments to proceed with the already far-advanced negotiations on the establishment of the European Defense Force. The rather enticing Soviet offer for German unity of March 10,<sup>1</sup> obviously calculated to disrupt the progress of contractual negotiations with the Federal Republic, thus far failed to produce the effect desired by the Communist world, though it did prompt serious Allied reexamination of the terms upon which

\* The Assistant Secretary for Inter-American Affairs, Edward G. Miller, Jr.

<sup>1</sup> BULLETIN of Apr. 7, 1952, p. 531.

unification could be safely advanced. The contractual arrangements were moving steadily toward conclusion. The economic situation looked bright; production indices continued to be high, while unemployment was on the downgrade.

The Saar question has long been a serious obstacle to the building of harmonious relations between France and the German Federal Republic. Since close Franco-German cooperation is the key-stone in the development of such supra-national agencies as the Schuman Plan and the Edc on which European integration hinges, the obstacle inherent in a disturbed Saar issue remains apparent. When the elevation of the French High Commissioner in the Saar to the rank of Ambassador caused a commotion in Western Germany, counter-reactions in France were immediately set up and together they contributed to prejudices to solid progress in building the emerging European Community. Yet the determination of the Western Foreign Ministers and Chancellor Adenauer to prevent the Saar, located in the heart of Europe, from becoming a stumbling block in the realization of the century-old dream of European unity, and the understanding of the situation demonstrated in the German and French Parliaments, were evidence that this concept of European solidarity has transcended the debating stage.

By mid-February, the negotiations on the contractual arrangements had reached a stage where important decisions had to be made in order to permit further progress leading to the substitution of a series of contracts for the Occupation Statute and to Germany's participation in Western defense. At their February 18-19 meeting in London, the Foreign Ministers and Chancellor Adenauer reached agreement on many fundamental questions up to then unresolved, among them the subsequent treatment of war criminals and the approach to be taken for the determination of Germany's contribution to Western defense. In the Lisbon meeting held on February 20-25 by the NATO Council, a solution was found for the difficult question of the relationship between the Edc, of which Germany is a member, and the NATO, in which Germany is not a member. These significant developments permitted the negotiations both of the contractual arrangements and the European Defense Community Treaty to enter into their final phase.

There still remained important problems to be solved. One of them concerned the division of Germany's defense contribution between Edc forces stationed in Germany, including the German contingents, and the non-Edc-forces (the U. K. and U. S. contingents). The problem of an arbitration court to consider disputes between the Western Allies and Germany was not yet resolved. But solutions for these and other difficult questions were in the offing.

These successes of Western policies were certain to draw a reaction from the Communist world.

It came in the form of another Soviet proposal for German unification. The Soviet note of March 10 was the most far-reaching bid so far made to lure West Germany away from the West and eventually into the Communist orbit. On the surface, the note appeared to contain considerable concessions, but an analysis of its provisions indicated again that the Soviet objective was a solution which would leave Germany either under continued Four Power controls or in a suspended state where the possibilities of Soviet domination would be greatly advanced.

German unity continues to be a major objective of Allied postwar policy in Europe; repeated earnest attempts of the three Western Allies to obtain Soviet cooperation for Germany's unification on a free society basis have remained unanswered. At the close of the period which this report covers, the doors of the Soviet Zone and of East Berlin had not been opened to the UN Commission charged to investigate whether conditions exist for free elections in the Four Zones and Berlin. The tripartite reply to the Soviets of March 25<sup>2</sup> made it clear that the Western Powers would continue to exert their efforts to achieve German unity in freedom and dignity. At the end of this period, the Soviet rulers still gave no assurances that they were prepared to give a truly free opportunity to East Germans to select their own government. Meanwhile the Soviet propaganda machine thundered on with Peace and Unity themes strongly interspersed with germ warfare charges strongly reminiscent of the "potato bug" line of other years.

The overall economic developments in Western Germany continued to be favorable. The production indices continued to be high, achieving 136, the highest figure ever recorded for this season of the year. Unemployment was again diminishing, notwithstanding the continuing influx of refugees from the East, and in the month of March there was the greatest decrease in unemployment in any month since the currency reform in June 1948. The German financial structure appeared healthy and capable of absorbing West Germany's contribution to defense without causing any negative ramifications; on the contrary, it appeared that as the only nation with a great untapped reservoir of manpower and technical facilities, the Federal Republic's participation in the defense effort of the West was likely to ensure a steadily rising standard of living in Western Germany, notwithstanding defense expenditures.

German coal production, a vital factor in the economic life and defense program of the whole of free Europe, showed a noteworthy increase and reached a daily average of 411 thousand metric tons in the month of March.

In the elections for a Constituent Assembly, held on March 9 in the three states of Wuerttemberg-Baden (U. S. Zone), Baden and Wuert-

<sup>2</sup> *Ibid.*, p. 530.

temberg-Hohenzollern (French Zone), strong national issues were injected. Notwithstanding an intensive campaign by the government opposition, the elections confirmed rather than censored the government policy. Chancellor Adenauer's CDU, despite some losses, came out again as the strongest party. The composition of the government for the new Southwest State, which at the end of this period had not yet been formed, could considerably affect the efficient operation of the Federal Government, since each state sends to the Upper House a delegation voting in bloc.

During these elections, the neo-Nazi SRP, which participated actively only in Wuerttemberg-Baden, where it could campaign for one week only, succeeded in obtaining 3.9 percent of the vote. Since Wuerttemberg-Baden's economy is relatively healthy and prosperous, and therefore not conducive to the development of radical elements, this fact should not be lightly overlooked. The neo-Nazi movement in Germany, still unimportant, remained a factor to be watched.

Although gaining a slight foothold in Wuerttemberg-Baden, the SRP ran afoul of German justice in Lower Saxony, its original stronghold. The Court, considering the case of one of the SRP's leaders who was accused of making derogatory remarks against the participants of the July 20 plot on Hitler, found him guilty and pronounced a sentence of three months' imprisonment. The trial was conducted by the Court with great earnestness in an obvious endeavor to arrive at a morally and legally sound decision.

Berlin took a firm stand against radical nationalism of which there were sporadic indications. It appeared very unlikely, however, that this outpost of freedom would provide a fertile ground for any radical movement. Berlin's economic position showed little change owing to the continuation of Communist harassment of Berlin's trade.

The time is approaching for the transformation of the Office of the United States High Commissioner into an Embassy. With this change of status, the Quarterly Report will no longer appear; judging by the present stage of negotiations, this 10th Report may well be the last regular issue. A summary "Report on Germany" covering the whole period of my tenure of office will mark the change-over.

That events have justified this transformation is demonstrated by the growing maturity of the Federal German Government and its increasing stature in international affairs.

Some may and do say we have proceeded too rapidly to this stage—others too slowly. All but a few demagogues will concede that the occupation is far from oppressive. Indeed, Germany has received a full measure of aid from those western countries which first met and defeated the Nazi attack. With this help, and behind the shield of the forces of those countries, Western Germany

has greatly prospered economically, politically, and socially since the dark days of 1945. But to continue even this concept of occupation will not reduce the risks of totalitarian revival. The exercise of her own rights and the honest fulfillment of her obligations as a partner in a free world is the best help for Germany's democratic future. Upon conclusion of the contractual arrangements the Federal Republic rather than the High Commission will have the responsibility for that future.

*Bonn/Mehlem  
Germany  
March 31, 1952*

JOHN J. McCLOY  
*U. S. High Commissioner for Germany*

## WEST GERMANY'S STRANDED PEOPLE

One of the most serious problems in postwar Germany is posed by "the refugees"<sup>1</sup> who form one fifth of the Federal Republic's population. While the presence of a vast unused manpower reservoir could be a great asset to the West German economy, their concentration in predominantly agricultural areas and the slow pace of their resettlement to industrial regions causes grave concern.

Since November 1951, there have been increasing indications that large numbers of refugees now concentrated in Schleswig-Holstein and Bavaria were organizing "treks" to more prosperous areas of the Federal Republic. The public announcement of this move came as a stark reminder that the problem of West Germany's "stranded people" had by no means been solved. At the same time it served to point up a problem of even broader scope: the virtual immobility of important segments of the German population resulting from the great housing shortage and from the prohibitive cost of building construction.

Much publicity has been given to the trek plans. In a full-scale Lower House debate the governments of the Federal Republic and of some of the states drew heavy fire for their alleged failure to push the refugee resettlement scheme which has been lagging far behind schedule. At the same time efforts were made to persuade the trek organizers of the hopelessness of their endeavor. Nevertheless these leaders adhered to their plans and agreed to postpone their venture only after receiving assurance from Federal Expellee Minister Hans Lukasehek that renewed efforts to resettle an increased number of refugees would be

<sup>1</sup> The groups of persons generally known as "refugees," and so referred to in this article, include the following groups:

1) the "expellees" who were forced to leave their homes in the prewar German territory east of the Oder-Neisse rivers, or ethnic Germans formerly living in countries now behind the iron curtain;

2) those German "refugees," who have fled from the Soviet Zone of Occupation because of political or other pressures.

immediately attempted. In fulfillment of this pledge the Federal Cabinet completed on March 14 the draft of a new law providing for the resettlement of 200,000 refugees during the current year and announced that sufficient funds were now available to build housing for another 100,000 refugees to be resettled by June 1953. Should the redistribution of refugees not be resumed in the very near future, some kind of trek movement may be expected by the summer of 1952. If it occurs, the situation will be one of potential danger with which it will be difficult to cope.

About 9.8 million people who now reside in the Federal Republic lived outside the Federal Republic's boundaries at the outbreak of World War II.<sup>2</sup> The bulk of these people, some 8 million strong, consists of Germans who came from German areas east of the Oder-Neisse Line or from countries such as Czechoslovakia, Poland, Hungary, and Rumania. In addition there are some 1,700,000 persons from the Soviet Zone or from East Berlin who have sought refuge in the Federal Republic for political or other reasons. One of the chief causes of the present plight of these new citizens is their uneven distribution over the eleven states of the Federal Republic.

Expellees and refugees began arriving during the last stages of the war and after the conclusion of the Potsdam Agreement in August 1945. Although plans had been carefully made by international agreement to assure the humane and orderly transfer of certain groups of Germans to the Zones of Occupation, the precipitate manner in which excessively large numbers of persons were expelled by the east European governments made it extremely difficult to transfer and resettle these groups in accordance with the plans agreed on. It proved necessary to provide immediate emergency housing, food and medical care for millions of people in the U. S. and U. K. controlled areas. With the German economy in a state of near collapse, little attention could then be given to the long-range aspects of the problem.

Housing was not available in regions of industrial concentration where the worst destruction had been wrought during the war. Only predominantly agricultural areas had remained fairly intact and thus were the only source of immediate, albeit primitive, accommodations for the homeless millions. Available space was further restricted by the fact that France, not a party to the Potsdam Agreement, for a long time denied its Zone of Occupation to refugees. In April 1950 the French first began to accept small numbers of expellees repatriated to Germany.

Thus today's refugee population is still mainly concentrated in the agricultural states of Schleswig-Holstein, Lower Saxony (both in the U. K. Zone), and Bavaria (U. S. Zone), although their

<sup>2</sup> This figure does not include displaced persons of non-German nationality. See "Assimilation of Displaced Populations," 5th Quarterly Report, p. 56 ff.

presence in such states as Wuerttemberg-Baden or Hesse also poses serious problems. While the three first-mentioned states account for only 38 percent of the total West German population, they harbor within their borders 54 percent of all expellees and refugees now living in the Federal area. The two extremes are to be found in Schleswig-Holstein, where 37 percent of the population are refugees, and Rhineland-Palatinate (Fr. Zone), where only 8.5 percent are refugees.

This obvious maldistribution did not become the burning problem it is today until the currency reform of 1948. Up to that point industrial production had been at a virtual standstill. Since consumer goods were all but unobtainable, agricultural workers, many of them refugees, were in a better position to obtain food than were city dwellers, but with the sudden rise of industrial production following the reform, and as payment in kind lost some of its premium value, agricultural jobs became less desirable. At the same time the demand for industrial employment and for money wages increased sharply while employment generally went up. Refugee employment, on the other hand, declined at first. When it later showed some signs of improvement it did not rise sufficiently to reflect the true ratio of refugees to the total German population. At the same time refugee unemployment far exceeded unemployment among the native population. This discrepancy diminished slightly as enterprises were established in areas of heavy refugee concentration and as the slow process of relocation got under way. Nonetheless, in February 1952 there were still 568,000 unemployed refugees in the Federal Republic, a number roughly equal to one third of all jobless while the refugees still constitute one fifth of the population. In Schleswig-Holstein more than half of all unemployed are refugees.

While the agricultural areas are still overcrowded by job seekers, a shortage of labor has been reported from industrial regions of Western Germany. Skilled workers are needed in many industries and the shortage of miners in the coal districts of the Ruhr has long plagued German authorities. This state of affairs led to the obvious decision to transplant the unused pool of manpower to the available job opportunities, and thus to serve both the displaced populations and the German economy. This plan, simple in its conception, has proved to be a difficult one to carry out.

In November 1949, a Federal Ordinance based on an agreement concluded earlier by the various states decreed that in the course of 1950, 300,000 refugees would be removed on a voluntary basis from Schleswig-Holstein, Bavaria, and Lower Saxony and distributed according to a set plan among the other states of the Federation, the largest number to go to the industrial state of North Rhine-Westphalia and to the French Zone. By the end of 1950 a total of 226,000 had actually

moved, either by organized transports or on their own initiative.

The results achieved in 1951 were much less gratifying. In accordance with a law passed by both Houses of the Federal Parliament in May 1951 another 200,000 were scheduled to leave the overcrowded areas during this year. By the end of the year, however, only 94,000 people had been accepted by the receiving states. Of this number only 43,000 had been included in organized transports.

It is the comparative failure of this program which has led to the present wave of discontent among refugees who have spent nearly seven years waiting for a chance to move out of their emergency dwellings. By the terms of the Basic Law they are free to move anywhere within the confines of the Federal Republic. Many of them have done so and not a few have found employment and housing elsewhere. But because only those moved in organized transports are reasonably sure to find a job and a home in their place of destination, uncertainty about the future has been a strong deterrent, so far, to individual migration.

With the large bulk of the refugee population definitely dependent on organized transports, the failure of such resettlement to continue on a large scale takes on serious aspects. Federal authorities have countered refugee criticism by pointing out that there is little they can do to enforce a Federal law which depends so much on the whole-hearted cooperation of the several states. The states, on their part, reject these charges and state that the redistribution scheme for 1951 simply could not be carried out in the time allotted.

The situation is particularly acute in North Rhine-Westphalia. This, the largest industrial state of Western Germany, had been assigned the greatest quota of refugees in 1951 but showed the poorest record of fulfillment. State authorities point out that acceptance of the refugees implies much more than permission for them to enter the state. Unless they are to continue to exist in conditions as bad or worse than in their present habitat, new jobs and satisfactory housing must be provided for them in the receiving state. Jobs can undoubtedly be obtained, but the question of housing is much more difficult. The density of population in North Rhine-Westphalia is the greatest in the Federal Republic, save for that of the city-states of Hamburg and Bremen. Despite a great amount of construction, housing is still at a premium and many of the present residents are forced to commute long distances to get to work. Thus the State Government insists that it must be given more time to prepare for the arrival of over 150,000 people. Such arguments are being advanced by almost all of the "receiving states."

Overcrowding, it must be noted, is not a problem for the refugee alone. Germans, in general, live in much more crowded conditions today than

they did in 1938. More than 2 million dwelling units were destroyed during the war. Some 800,000 new ones have been constructed since then. Owing to the influx of expellees and refugees, however, it is estimated that a total shortage of 3.75 million units still exists if prewar housing standards are to be applied. The average number of persons occupying one unit (consisting of two small rooms and a kitchen) has risen from 3.5 to 5.3.

The housing problem is seriously complicated by prohibitive building costs which in 1951 alone increased by about 25 percent. Private building consequently is out of reach for people in the low and even medium income brackets. No rent ceilings apply to housing constructed with private funds. House owners building at their own expense usually demand from the lessee, in addition to the high rent, payment of a sizable sum as a means of recovering their investment or in order to finance the building (the so-called "Bankkostenzuschuss"). As a result large sections of the population, including the refugees, are totally dependent on housing constructed, at least partially, with public funds since the rents for such units are substantially lower.

Construction of housing with non-private capital is mainly financed from three sources: 1) compulsory investment by insurance companies and certain banks, 2) loans from employers who stand to benefit from the fact that any dwellings so constructed will be reserved for their employees, and 3) public funds granted as loans. Since building costs are on the upswing and investments of the first two types are limited, a much higher proportion than before must now come from public funds, which in view of other drains on the public treasury are also limited. EUR funds especially earmarked for housing construction have been of considerable help in eliminating this bottleneck.<sup>3</sup> Approximately 37 percent of all newly constructed public housing is now going to refugees. This quota varies in the several states, reaching a high in Lower Saxony of 85 percent.

While resettlement is being retarded by lack of housing, manpower, including considerable skilled labor, is going to waste. Owing to their peculiar position, most refugees have found it impossible to make full use of their previous training and experience. Many of those who were formerly professionals or self-employed have been forced to accept jobs, as far as jobs were to be had, as manual laborers. This is illustrated by the fact that only 8 percent of today's refugee population consists of self-employed or family helpers as compared to 37 percent before their expulsion or flight. At the same time, the proportion of refugee workers and salaried employees has risen from 59 to 89 percent.

In the course of time many of these people have

<sup>3</sup> See "More Coal from the Ruhr", 9th Quarterly Report, p. 37 ff.



come to think of themselves as second-class citizens.<sup>4</sup> Their living conditions are, for the most part, sub-standard. At the end of 1951, some 300,000 refugees were still living in camps and an estimated two thirds of the remainder in dwellings which frequently offer worse accommodations than the camps. Cases of several families living in one room are frequent, and sufficient space is the exception rather than the rule. Employment prospects are particularly limited for children and adolescents who have little if any hope of finding apprenticeships or jobs when leaving school.

A special problem for West Berlin is the arrival of refugees at an average rate of over 1,200 per week, seeking haven from oppression in the East Zone. Although only about one third are accepted as political refugees and entitled to employment, housing, and social insurance benefits, most of the newcomers remain in West Berlin and receive public assistance. The Federal Emergency Admission Law which became applicable to Berlin on February 4, 1952, provided for the transfer of 80% of the accepted refugees to Western Germany; West Berlin, however, continues to be responsible for the remaining 20% of the accepted refugees (estimated to be 40% of those arriving) plus all of those who are unrecognized. About 200,000 persons have applied in West Berlin for recognition as political refugees since the beginning of 1949; and an additional number estimated to be at least 100,000 persons, reside in West Berlin "black" or illegally.

Attempts to solve the refugee problem have not been restricted to redistribution plans. While a more equitable redistribution has been the primary goal of authorities dealing with the refugee question, serious attention was also paid to plans for the improvement of conditions in the present refugee areas. Even before the establishment of the Federal Republic, the states most concerned, singly and together, had worked out large-scale plans. In this endeavor they received active support, first from Military Government and later from HICOG and the ECA-MSA Mission. Another decided boost to these efforts was the establishment by the Federal Republic of the Expellee Ministry as central coordinating agency of refugee affairs. Much has already been accomplished on the local, state and federal levels and more can still be expected.

Four different lines of action have, so far, been pursued: 1) social welfare, 2) investment aid, 3) farm resettlement and 4) housing construction.

Social welfare services have been of primary importance, especially in the early days when it was simply a question of keeping the new arrivals alive. The refugees had lost relatively more during the war and its aftermath than local residents; they placed a heavy burden, therefore, on German public funds. To aid them and other

<sup>4</sup>The largest political refugee organization calls itself the "Bloc of Expellees and Victims of Injustice."

war victims, the Federal Government in 1949 introduced a Law for the "Equalization of Burdens" (Lastenausgleich) geared to tax for the benefit of the war victims those best able to afford it. This law, not yet enacted, is the subject of an extensive political debate. In the meantime most of the refugee expenditures have come from an Immediate Aid Tax (Soforthilfe), initially introduced by the Bizonal Economic Administration in 1949.

Steps were also taken to put the refugees back on their own feet by making capital available to them for investment in new enterprises. It is the aim of this program not only to utilize the managerial skill and the business experience to be found among the new citizens, but also to create job openings, most of which are likely to be filled by refugees. To assure easy credit to these enterprises, the Federal Government in 1950 established the Expellee Bank (Vertriebenenbank), capitalized with ERP counterpart funds, which has the functions of guaranteeing loans issued by local banks and of refinancing investment loans. The initially slow operation of the refugee credit system was improved considerably during 1951. Great emphasis was also placed on the so-called "Point-of-Main-Effort Program" (Schwerpunktprogramm). Adopted in March 1950 as the core of a general Federal labor procurement scheme, this plan provides for the investment of DM 300 million in the areas of chief refugee concentration. The money is to be spent for the creation of the largest possible number of permanent jobs and special attention is to be paid to refugee enterprises. The funds, almost all of which have already been distributed to the recipient states (Schleswig-Holstein, Lower Saxony, Bavaria and the northern part of Hesse) are allocated by these states to various sectors of the economy. According to estimates of the Federal ERP Ministry, this program is chiefly responsible for the reduction of refugee unemployment by 120,000 during 1950 and 1951. By the end of 1951 employment in refugee enterprises stood at about 200,000.

Considerable progress has also been made in resettling refugees on farms. By the end of 1951 some 20,000 farms had been taken over by expellee families under a law, enacted in 1948, giving them priority in the acquisition or lease of idle, heirless, or reclaimed farms. The rate of settlement is now estimated at 10,000 per year and it is unlikely therefore, that all of the estimated 100,000 refugee families now waiting for farmland can be accommodated before 1962. An additional difficulty is presented by the size of these farms. While the minimum economical size of a farm is considered in Western Germany to be 10 to 15 hectares, the average refugee farm is much smaller and may not be viable in the long run.

Action that has already been taken to solve the question of the displaced populations should not be underestimated. Many of them have been re-

established on farms or in businesses, jobs have been created, and refugee employment is on the increase. Housing has been continually improving since 1945.

On the other hand, it must be realized that all these programs are of necessity limited in their effect. The farm program, even should it be completely successful, assists only a segment of the refugee population, and the payment of social benefits will not solve the question in the long run. Nor can an unlimited number of refugee enterprises be founded in areas where most of these people are now located. Industry and, to a lesser extent, handicrafts are dependent on a favorable environment where raw materials, power resources, and markets are easily accessible. These conditions do not obtain in Schleswig-Holstein, Lower Saxony, and northeastern Bavaria. As far as construction of housing is concerned, it seems pointless, in the long run, to spend vast amounts of money for housing projects in regions where the refugees are concentrated today, and where the majority of them have little chance of obtaining employment and making a living.

The great importance attached to the resettlement plan is therefore quite evident. There is hope that housing construction, the lack of which has been the determining factor in the reluctance of the "receiving states," will be stepped up considerably during the spring season, since Federal funds have now been guaranteed. If this is the case, refugee movements may start rolling again; it remains to be seen, however, whether there will be enough tangible evidence of progress to persuade Germany's stranded people to wait for orderly relocation and to maintain their sorely tried patience. There is no doubt, moreover, that an adequate solution of the problem requires not only the forbearance of the refugees, but also determined action and a tremendous amount of good will on the part of the authorities and of the German people as a whole.

## **International Bank Makes \$50 Million Loan to Australia**

The International Bank for Reconstruction and Development on July 9 announced that it has made a loan of 50 million dollars to the Commonwealth of Australia. The loan will be used for the import of capital goods and equipment needed for development programs in the following fields: agriculture and land settlement, coal mining, iron and steel production, electric power, railways, road transport, the production of nonferrous metals and industrial minerals, and manufacturing industries. Commonwealth and State authorities, business enterprises, and individual farmers will benefit from the loan.

About one-third of the Bank's loan will aid

agricultural development. In spite of Australia's rapid industrial growth, her exports still consist almost entirely of farm products. If she is to raise her foreign-exchange earnings and at the same time grow enough to feed her increasing population, she will have to produce more wool and food. The agricultural program consists of improving production on existing farms through increased mechanization, the use of fertilizers and the adoption of more scientific methods of cultivation and animal husbandry, and the creation of new farms through land reclamation and irrigation. By 1958, farm production is expected to increase by 10 percent.

Nearly half of the Bank's loan will be used for coal mining, the iron and steel industry, railways, road transport, and electric power. Coal mining is basic to every sector of the Australian economy and especially important to the iron and steel industry, electric power, and transportation. Before and during World War II, Australia was able to meet her own needs for coal and had a surplus for export. Now, however, because of the rapid growth of industry and population, demand exceeds supply and coal must be imported at high cost. The program for which Bank-financed equipment will be used aims at enabling Australia to dispense with coal imports. As a short-term measure, coal deposits lying near the surface are being mined by open-cut methods, and at the same time underground mines are being modernized and improved. Extensive open-cut brown-coal deposits are also being exploited. The Bank's loan will finance the import of tractors and earth-moving equipment for open-cut workings and machinery and equipment for underground operations.

About one-fifth of the loan will be spent on increasing the production of nonferrous metals and industrial minerals and for other industrial development. In recent years, production of lead and zinc, Australia's most important metal exports, has not been expanding. The production of other important nonferrous metals has been insufficient to meet domestic needs. The program for which the Bank's loan will be used includes expansion in the production of lead and zinc, copper, tin, aluminum, tungsten, and pyrites. The loan will pay for tractors and earth-moving equipment, mining equipment and machinery, and plant and equipment for concentrating, smelting, and refining.

The Bank's loan will provide the Commonwealth with foreign exchange with which to pay for some of the imports of capital goods needed for these development programs. The programs themselves will be financed in Australian pounds, partly out of public funds and partly out of the capital resources of business enterprises and individuals.

The Bank's loan of 50 million dollars is for a term of 20 years and bears interest at the rate of

4¾ percent per annum, including the 1 percent commission which, under the Bank's Articles of Agreement, is allocated to a special reserve. Amortization payments will begin in June 1957.

This is the second loan the International Bank has made to Australia. In August 1950 a loan of 100 million dollars was made for the purchase of capital goods and equipment needed for Australia's development. About two-thirds of that loan has been disbursed, and it is expected that the remainder will have been entirely disbursed early in 1953. Today's loan will help carry forward development in 1954.

After having been approved by the Bank's Executive Directors, the Loan Agreement was signed on July 8, 1952, by Sir Percy Spender, Australian Ambassador to the United States, on behalf of the Commonwealth of Australia, and by Eugene R. Black, president, on behalf of the International Bank for Reconstruction and Development.

## **Export-Import Bank to Finance Agricultural Equipment for Brazil**

Financing of the importation by the State of Minas Gerais, Brazil, of American agricultural equipment in the amount of \$5,000,000 was announced on July 3 by Herbert E. Gaston, chairman of the Export-Import Bank of Washington.

This financing will make possible the resale of tractors and implements to the farmers of the State on terms comparable with those traditionally enjoyed by farmers in the United States. The distribution of this amount of equipment throughout the State will constitute a large scale demonstration of mechanized farming in those areas which should greatly stimulate the introduction of modern methods.

This modernization program is sponsored by the State administration headed by Governor Juscelino Kubitschek. The State government ranks high in Brazil in activities in aid of the farmer and stock grower and maintains one of the best agricultural schools of that country.

This financing has the support of the Brazilian Government and is one of the projects endorsed by the Joint Brazil-U.S. Economic Development Commission, of which the Brazilian head is Dr. Ary Torres and the American head is Burke Knapp.

Minas Gerais, while renowned for its great mineral resources, is also the second State of Brazil in agricultural production. It is comparable in area and population with the State of Texas in this country.

The terms of the credit call for repayment in 10 semiannual installments with interest at the rate of 4 percent per annum.

## **ANZUS Council Meeting**

*Press Conference Statement by Secretary Acheson*

Press release 558 dated July 16

I should like to mention again the meeting which is being held in Honolulu the first week in August and which I plan to attend. This will be the first meeting of the Council created by the treaty ratified by Australia, New Zealand, and the United States on April 29, 1952. It is expected that Richard G. Casey, Australian Minister for External Affairs, and T. C. Webb, New Zealand Minister for External Affairs, will attend the first meeting.

The reason for my repeating this information, which is already familiar to you here, is that there still appears to be some misunderstanding about the nature of this meeting, especially outside this country.

The treaty signed by Australia, New Zealand, and the United States recognizes that armed attack in the Pacific area on the territories, armed forces, public vessels, or aircraft of any of these three countries would be dangerous to the peace and security of all. Each country is pledged to take action in accordance with its constitutional processes should such an attack take place.<sup>1</sup>

The Council is meeting in the words of the treaty "to consider matters concerning the implementation of this treaty." The agenda is now being drafted by representatives of the three Governments. Since this is the first meeting, the Council will naturally have to devote a considerable amount of its energies to problems relating to its own organization and functions. In addition, its members will wish to review matters affecting their common relationships in the Pacific area.

This treaty is one of three which we have recently negotiated with nations in the Pacific, the other two being with the Philippines and Japan. The United States has a deep and continuing interest in the peace, security, and welfare of all the free nations of the Pacific area including those not parties to these treaties. We hope to continue to work with them as they may desire to work with each other and with us.

Parenthetically I should like to add that in reading press comments from various parts of the world, I have noticed the wide variety of names by which the treaty and the Council are called. Unofficially here in the Department, we are using the term ANZUS Treaty and ANZUS Council, because we think it is the most convenient way of referring to the treaty and the Council established by it.

<sup>1</sup> For text of the treaty, see BULLETIN of July 23, 1951, p. 148. An announcement of the first meeting of the Council appeared in the BULLETIN of July 21, 1952, p. 110.

## Human Welfare: A Practical Objective

*Statement by Walter M. Kotschnig  
Deputy U.S. Representative to U.N. Economic and Social Council*

U.S./U.N. press release dated July 14

For the first time in its history, this Council is engaged in a comprehensive review of world-wide social conditions. This week, after many and important debates on the world economic situation, we are for the first time attempting to comprehend the full impact of economic factors, of technological development, and of ideas and aspirations upon the lives of individuals everywhere, and upon their communities and their nations.

We have embarked on this review because we realize that the final test of our work and achievement is to be found in human contentment, in higher standards of living, in greater freedom. Improved agricultural and industrial techniques, larger investments, bigger industries, increased trade—they all have but one purpose. And that purpose is a fuller life for the millions inhabiting this earth—a life which will allow them to grow to the full attainment of human stature. This is the realm in which the foundations of peace are laid—the peace which the United Nations is intended to secure.

### The Report Before the Council

As background for our review, we have before us a remarkable document—the Secretary-General's Preliminary Report on the World Social Situation.<sup>1</sup> This document is remarkable because it presents—also for the first time, and in one monumental volume—a composite picture of the global social scene by the world's leading international organization. It is, to be sure, a preliminary picture. As such—and on the basis of knowledge already available to the United Nations and the specialized agencies—it concentrates on actual human needs rather than on programs to alleviate them. Still, by the very assemblage of so vast an array of facts on human beings and how they live,

<sup>1</sup> U.N. doc. E/CN.5/267.

the report makes a central contribution to the interrelated social and economic work of this Council. The Secretary-General and his staff, together with the specialized agencies, are to be congratulated on so able and fair-minded an accomplishment. It is an historic and dramatically impelling work.

Of course, as in any report of such proportions, points are made and inferences are drawn with which my delegation might disagree. But, with one or two exceptions these points are minor.

There is, though, one serious deficiency to which I must refer at the outset. And that is the dearth of information about social conditions in some of the most important areas of the world. Unhappily, information is least available where the problems seem most acute. For example, many of the less developed countries had very few facts to offer. This is understandable. Economic poverty and poverty of information go hand in hand.

But information on a wide range of subjects is also unavailable from areas of the world where statistics is a flourishing science and where poverty is said to have disappeared. I refer to the vast areas under Soviet domination. As far as this report is concerned, these areas might very well lie on the other side of the moon. This darkness, this lack of information about Soviet-controlled territory, is apparent chapter after chapter, beginning with the very facts of life itself.

On births and deaths and morbidity—on the whole of the population problem—the record of the U.S.S.R. is a blank. On food production and consumption it is almost equally blank. And so it goes, with some few exceptions, throughout the entire report. This dearth of Soviet information is most unfortunate, for it deprives the Council of the type of analysis which is truly global. And it reinforces suspicions that all is not well in the Soviet world.

Still, and despite this, the report is remarkable for what it *does* show: namely, that the achieve-

ments of a hundred years of science and technology have been such as to spread far and wide the conviction that neither poverty nor disease is inevitable; that fatalism is an outmoded ethic; and that life, liberty, and the achievement of happiness are within the reach of all. As the report states in one of its most telling passages:

... there has spread among impoverished peoples of the world an awareness—heightened by modern communications and movements of men—that higher standards of living not only exist for others but are possible for themselves. Fatalistic resignation to poverty and disease is giving way to the demand for a better life. The demand is groping and uncertain in direction, charged with conflicting emotions regarding the old and the new, but it is nonetheless a force that is establishing an irreversible trend in history.

Thus, two revolutions are being fused in one: The revolution in the thought and institutions of man that has resulted from the consistent application of free inquiry and social intelligence to natural and human problems; and the revolution of rising expectations of man everywhere. New tools for human betterment have been created and a new ethic has been born, dynamic and affirmative, which make it possible, in the words of the report, "to think of the welfare of the whole human race as a practicable objective."

This is a challenging objective but there is a long road ahead of us before it can be attained. It is paradoxical, but true, that by comparison with the more developed countries the conditions of the people in the economically underdeveloped countries seem in many respects worse today than they were 100 or even 50 years ago. New tensions have thus been created in the world which demand our undivided attention.

### Areas of Danger

Let us look at some of the problems of the peoples of the less developed countries as they are brought out in this report.

*Population Increase*—There is wide disparity in standards of living among the world's 2½ billion persons. The application of practical measures to raise these standards in underdeveloped areas is made the more difficult because these are the very places on the globe where population is increasing most rapidly, infant mortality is highest, and mass disease most prevalent.

*Disparity in Income Levels*—Associated with this population problem are wide differences in income. At a time when the social distance between the world's people is narrowing with each technological advance, any widening of the economic distance between the different peoples of the world is especially poignant.

Of course, no statistics can measure the varying contributions of environment—climate, culture, economic institutions, community services—to real incomes and standards of living. Still, and with all their limitations, the summary of per

capita income figures given in the report show shockingly low incomes in much of Asia, Africa, and Latin America. It shows, too, little relative progress in some of these areas in comparison with prewar years.

In the matter of income distribution within communities, there are sharp contrasts between the economically developed and the less developed countries. In the more developed countries there has been a general leveling-up process by which the lower income groups have progressively had a larger share of the national income.

In the less developed countries, by contrast, as the report—perhaps with too great moderation—puts it, "the wealthy few . . . enjoy a larger proportion of the total income" than in the industrialized countries. And these disparities are widening rather than narrowing.

*Inadequate Food Production*—World food production as a whole is still too small to feed its growing population even as well as in prewar days. There is tragically low food production in many of the less developed countries of the Far East, the Near and Middle East, and even in parts of Latin America. Europe has made an impressive recovery from its war devastation but it, too, is still below its prewar standard.

Over most of the Far East, where nearly half of the world's population lives, food supplies per capita are lower than in the prewar period by about 10 percent. Average calorie supplies, in general, are short of minimum requirements in all regions except Europe, large parts of the Americas, and Oceania. Malnutrition is an ever-present problem for the vast majority of the world's people. They look to, but have not yet received, the positive advantages of the revolution in food production techniques.

*Housing Needs*—As regards housing, no country, as the report says, is without its housing problem. There may be as many as 150 million families in the less developed areas in need of better shelter and as many as 30 million families in the more developed countries. Even before the last war, there was a long-standing housing deficit in the industrialized countries. Now obsolescent and unhealthy homes need to be replaced and new ones must be built for an ever-growing population—at costs people can afford.

In the less developed countries, however, housing is an even more serious problem. We scarcely know its dimensions, either in the cities or on the farms. But, by and large, we do know that such housing is incredibly poor by any modern standard.

*Conditions of Work*—Next, let us look at conditions under which people work to earn their living. These conditions—while generally much improved in the past half century in the industrialized countries—give no cause for complacency. The report high lights the fact that three-fifths of the world's people make their living from

agriculture. And agriculture, as we all know, is not only beset by natural hazards of flood, drought, and pests. And all too common in the very countries where the largest part of the population lives on the land are such problems as insecurity of tenure, uneconomic land holdings, underemployment, and low returns that give bare subsistence from the land. In general, agriculture is best off in the very countries where industry, too, is most prosperous and best organized.

It must also be noted that the small-scale handicraft industries which prevail in vast areas of the world have not shared in the progress of the industrialized countries toward social betterment—in the progress toward the 8-hour day, the shorter workweek, the vacations with pay, the social security and minimum-wage legislation, and other elements of the good life in all their striking improvements since the turn of the century.

I have noted five of the major problems which beset the people of the less developed countries. They are diversities in levels of living, housing, and conditions of work; and underproduction of food in the very areas where population is rising most rapidly.

### **Encouraging Developments**

*Health*—Taken alone, these facts add up to a dismal picture. But hand in hand with them there are a few encouraging developments. There is, in the first place, a world-wide improvement in health. Modern methods of medicine, environmental sanitation, and communicable-disease control have contributed to a lowering of death rates.

DDT has eliminated malaria from Italy, Brazil, and Ceylon. These are actual accomplishments. Yet 300 million people still continue to suffer from malaria, and, of these, 3 million die annually. The discovery of penicillin has enabled attacks on other mass diseases. Yaws, which once was rampant over most of the land between the two tropics, can now be stamped out.

It is true that developments such as these have the effect of increasing total population. But, and this is the hopeful side, such developments can at the same time be a factor in increasing the food supply. A farmer free of malaria is better able physically to attend his crops.

*Increase in Literacy*—And there is another hopeful development: the recent world-wide increase in literacy. Of course, literacy is not a sole measure of the educated man—witness the vast areas where most of the people may be illiterate but by no means uneducated. These areas have thousands of years of civilized history behind them. They have created great strengths and great cultural institutions; they possess rich oral traditions and provide a moral texture which make many of the traditions of so-called developed countries seem thin by comparison. Still, in societies moving from handicraft to industry,

literacy is prized if only as insurance that the industrial signs will be read and that the new methods of work will be widely communicated and understood.

Hence, the recent progress in adult education and in mass literacy campaigns is providing the ground work for a highly practical transitional form of training called fundamental education. It is “fundamental” in the sense that it provides the minimum knowledge and skills needed to attain a better life. And it is “education” in that it helps people understand the problems of their immediate environment and their rights and duties as citizens and individuals so that they can participate more effectively in the social and economic life of their communities.

I have gone to some length to review the social conditions of the world as the report gives them to us. Review is necessary as a starting point for concerted action. The fact that we have this picture before us as a basis for practical action is itself an indication of progress. Fifty years ago, the very putting together of such a picture would have been impossible. Now we have both a challenge and an opportunity in this Council to consider in an over-all way what can be done to realize “the welfare of the whole human race as a practicable objective.”

There is another reason for taking encouragement. It is apparent to my delegation, as it must also be to you, that the less developed countries are now in a situation from which the West only recently emerged. In this very fact there is a tremendous advantage. The report puts this very aptly when it states that the progress of the less developed countries must necessarily differ from ours

if only for the reason that Western development has already taken place and the present end-products of this development are clearly evident. Improvements in sanitation, education, communications, labor policy, social services, etc., that developed in a slow or more or less experimental fashion in Western countries, are being deliberately taken over in their end-form . . . while there is at the same time a conscious effort to avoid the mistakes.

### **The Choice Before the Contemporary World**

At this point we posit the most fundamental question before the contemporary world. The end-products, as of 1952, of a long and painful process in scientific and technological development are here, for everyone to see, for everyone to take over and to adapt to their conditions. The question is: Will they be taken over imbedded in the spirit which created them and which makes them capable of continuous change and improvement? Or, will they be taken over in terms of a political creed which is at fundamental variance with the spirit that created and continues to expand them?

This question has been forced upon all of us by the vociferous prophets of communism. It is of

particular relevance to the underdeveloped countries, especially those which have only recently freed themselves from external domination. The Soviets have usurped the fruits of Western inventiveness and free inquiry to the point of denying their Western origin. And, having done so, they now pose as the saviors of the downtrodden and the oppressed.

They hold out a mirage of the perfect society, free of poverty and disease—a society run by leaders free of error and possessed of final and total wisdom. So great is their alleged wisdom that disgrace, imprisonment, or even death is the fate of those who dare to deviate. Whether it is a question of the physiology of plants, or the laws of physics, of political “lines” or social concepts, the ultimate in achievement has been reached.

These claims cannot be rejected out of hand. The very fact that they have sown confusion in the minds of many who are striving to improve their own conditions makes it necessary to analyze them. The propaganda directed by the Communists against the free world—against the cradle of the great advances—calls for a reply. There can be no intelligent choice between the free society and the totalitarian state, unless there is a clear understanding of their differences in social achievement and organization.

And this obliges me to probe more deeply into what might be called the difference between the way of the free and the way of the controlled—between the social achievements of a democratic society and the achievements of the totalitarian state. I hope I shall be forgiven if I use illustrations primarily taken from the social evolution of the United States. It is the evolution I know best, and it is the evolution which is the prime target of Soviet propaganda.

### **The Way of the Free**

Freedom, though its origins reach well beyond its Western orbit, is the greatest heritage of the Western World, whether we think of the intellectual history of Europe or of the Western Hemisphere. In the United States it found expression in our Declaration of Independence which proclaims that all men are created equal, and are endowed by their Creator with an unalienable right to life, liberty, and the pursuit of happiness, and that the sole purpose of government is to secure these rights.

This is the creed which has been and continues to be the origin of whatever strength we may have, whatever progress we have achieved in social and political organization. It is the source of ever new initiative and inventiveness, and of deviations from common practices which mean new discoveries.

It is the beginning of the continuing revolution which has brought the United States to its present state of living and achievement. It is the basis

from which the people of the United States started out in their search for greater equality among men, not only as a philosophical concept but as an economic and political reality. The road has been long and arduous and the end is not in sight, but there can be no doubt about the dynamics which are driving us forward. Fundamental changes have been wrought even within the last two generations, a fact deliberately overlooked by our critics.

### **Gains Spread Throughout Population**

The extraordinary rise in production, in income, and in the standard of living in the United States in the last half century is well known. Equally important, but less well known, is the way in which these economic and social gains have been spread throughout the entire population, and especially in the lower income groups.

In this connection, I would like to quote from a forthcoming book by Frederick Lewis Allen, the distinguished editor of *Harper's* magazine. In this book, entitled *The Big Change*, Mr. Allen points out that in 1900, Andrew Carnegie's annual income was at least 20 thousand times greater than that of the average American. Since then, however, the change in the U.S. scene has been such as to be described by the Director of Research of the National Bureau of Economic Research as “one of the great social revolutions in history.”

This revolution, however, has not been well understood. To quote Mr. Allen again:

When Vishinsky, or Gromyko, or Malik berates the United States, talking for instance, about “lackeys of Wall Street”, what he is doing is berating, exaggeratedly, the United States of 1900 rather than that of today.

If what he says makes an impression among many non-Communists in other countries, this is at least partly because a large number of non-Americans, aware of the importance of business and of businessmen in the American scene, imagine that these, today, closely resemble their counterparts of a generation or two ago.

The mental picture of the United States that the average non-American carries about with him is lamentably irrelevant to the real United States of today.

### **“Leveling Up” of Income Distribution**

I wish to correct this erroneous picture. Take income redistribution first. Over the past 20 years the evolution in the United States—an evolution which has so greatly increased the size of our national income—has been accompanied by a vast *leveling up* in the distribution of income.

In 1929 the national income was less than 90 billion dollars. By 1951 it had risen to nearly 280 billion dollars. In 1929 the 5 percent of our citizens in the top income brackets got 34 percent of the national income. By 1946, after paying the higher income taxes imposed during the war years, this group received only 18 percent of the national income. This same general distribution has continued, with minor variations, since 1946. Or, to put it another way: In 1929, 66 percent of

the national income was shared by the 95 percent of the population in the lower income brackets; in 1951, their share of this much larger income had risen to 82 percent.

Thus, the average income of families in the lower and middle income groups has risen very sharply. In 1951, one in every three families had an income of \$3,000 to \$5,000; another one in every five between \$5,000 and \$10,000. Thus, millions and millions of families have climbed an income bracket or two. They are industrial workers, office workers, farmers—millions of whom, in the past two decades, have moved up the income scale to a position where they can enjoy what has been traditionally considered a middle-class way of life.

Take factory workers. Their average weekly earnings increased from less than \$10 a week in 1909 to about \$60 in 1951 or sixfold. Real earnings, after allowance for rising prices, more than doubled. All this time, the length of the working week was gradually reduced from 60 hours to 40 hours. This gave everyone very much more leisure in which to enjoy the fruits of his earnings.

Underlying this increase in real income are not merely our large natural resources but a continuing rise in the country's productivity—in industry, in agriculture, and in transportation. In the 20 years from 1929 to 1950, and after allowing for the rise in prices which took place during the period, there was an increase in total output of all private industry in this country of 75 percent. At the same time, of course, the population was increasing. But, taking that into account, the average increase in production in private industry per person was  $1\frac{3}{4}$  percent per person per year—again in real terms, after allowing for the price rise.

This phenomenal increase was the result, as I have said, of increasing productivity in agriculture, mining, transportation, and manufacturing. And I might point out that this productivity increase represents not only the application by management of technological progress in industrial production. It also represents growing cooperation between labor unions and management. As these years have gone by there have been increased profits for management, higher wages for labor, and more goods for everyone to buy.

The doctrine of low profit margins in a mass market, at moderate prices, is but one phase of this picture—the consumer's side. The rapid rise in the share of the national income going to wage and salaried workers has given strength to that mass market. And the rise in wages has been assisted by the growth of free trade-unions in membership and in bargaining strength.

### **A Day's Work Buys More**

The very real increase in the buying power of the worker's dollar can be shown by a simple

example—namely, and as compared to the years before World War I, how many hours must an American factory employee work today to get some of the common, everyday necessities of life.

In 1914 it took  $2\frac{1}{2}$  ten-hour workdays to buy a ton of coal to heat the house. Now it takes less than half as long—10 hours and 20 minutes. In 1914 it took 17 minutes to buy a pound of bread. Now it takes 6 minutes. It took 24 minutes' work, then, to buy one quart of milk; now it takes 9 minutes—about one-third as long.

Another indicator of the rise in standards of living of the industrial workers is the share of the worker's earnings which must be spent for the first necessities of life—food, shelter, fuel, and light—as compared with what is left for clothing, home furnishings, and all the other things that make life more enjoyable.

By this standard, progress in this half century has been most striking. At the turn of the century, a typical city worker's family averaged about five persons and its income in those days of cheap dollars was about \$750 a year. At that time, after paying for food and shelter alone, a typical family had left only 37 percent of its earnings, or \$277.

Fifty years later, at the half century, the typical worker's family was much smaller, averaging 3.4 persons, and its income had multiplied over fivefold to \$3,870. After paying for food and shelter, these families now have more than half of their income left. Moreover, there is freedom to choose what they will buy and an adequate supply of goods and services from which to select.

Among other things, they have chosen—indeed, have learned—to buy better food, especially such protective foods as milk, fruits, and vegetables. The nutritional content of food consumption per person in the United States in 1909 as compared with the current year shows marked increases in such important food elements as calcium and iron and the most important vitamins. Per capita consumption of milk—so important for the health and growth of children—has increased more than 10 percent. And this has happened despite the great population shift from the farms to the cities in this more than 40-year period.

The rise in food production, which has made better nutrition possible, has been the result of a variety of factors—more mechanization, soil-improvement programs, improved seed, price incentives, and so on. Not the least important are the social factors. The great spread in rural electrification has brought better farm living, better roads in farm areas, and better technical education for the farmers themselves.

Second only to food in importance in the standard of living is housing. The United States believes in home-ownership. Over half of America's families own their homes. Outside this island of Manhattan, where building must go up and not out, and except for one or two other very large



cities, postwar home building has largely been single-family homes for purchase by owners.

Between 1940 and 1950, single-family, owner-occupied homes increased by more than 6 million. As before the war, building has been stimulated by providing families with Federal mortgage insurance for loans, with a relatively small initial payment and monthly payments like rent.

Despite the progress achieved, and despite the added fact that 85 percent of American homes have one person or less per room, there is much that remains to be done. There are still slums to be cleared in our large older cities. Our neighbors to the south—in Montevideo and Buenos Aires—are in a better position than we in the United States to speak of their slumless cities.

More housing must be built for very low income groups. This has been part of our Federal, State, and local programs for some years. Altogether, housing experts estimate that an average of one million new dwellings should be built per year for a number of years to come. This figure has been equaled or exceeded for several years, and this year it seems likely that at least another million will be built.

I now turn to the problem of health. One of the basic sources of national strength is the health and well-being of the people. The vital and health statistics over the last 50 years describe progress in this field more vividly than almost anything I might say.

Back in 1915, when we first took stock of infant mortality on a Nation-wide basis, we were losing 10 percent of our babies before they were a year old. Now, the rate is less than 3 percent. Side by side with lowered infant mortality has come reduction in the loss of mothers from childbirth, until today there is less than one such loss per 1,000 childbirths.

The crude death rate, despite the growing proportion of older people in the total population, is less than 10 per 1,000 population for 1950. Since the beginning of the current century, life expectancy has increased 20 years. This means that the average American now lives to nearly 68 years—or more than twice the life expectancy in two-thirds of the world.

Mass diseases which beset the United States at the turn of the century today are under control. Some diseases listed in the report, such as typhoid fever, have reached the vanishing point. In fact, the only one named which even appears in the list of leading causes of death in the United States is tuberculosis. And it has dropped in incidence from 194 deaths per 100,000 people to 22. As a result, we now are concentrating on such diseases as heart trouble and cancer which are more apt to occur in later life.

### How Did It Happen?

*Initiative of Citizens*—Now, what is the story behind this improvement? How did it happen?

We started in what has become a typical pattern in this country. The initiative came first from a few interested and enlightened citizens uniting to attack immediate health problems in their own communities.

From such tiny beginnings in voluntary assumption of responsibility, there have grown up in the United States vast medical and public-health services. Gradually, local and State governments and, finally, the Federal Government began to supply health services, medical care, and widespread sanitation programs—all of these supplementing what the pioneering private agencies were doing.

In 1915 only 14 out of more than 3,000 counties had full-time public health services. Today, such services are operating in nearly 2,000 counties. The program still is expanding. In the last 5 years, the Federal Government has provided nearly half a billion dollars in aid to State hospital construction—to take but one example—and the States themselves have provided a billion dollars more for this purpose.

Even so, 70 percent of our hospitals were established by voluntary efforts, another 25 percent by local and State governments, and only 5 percent by the Federal Government. These private and public agencies work together with the medical profession to provide coordinated local medical services.

Along with these developments has grown a group of medical schools and colleges, most of which are privately financed. They train doctors, dentists, and nurses, and conduct extensive medical research. Currently some 25,000 doctors and over 100,000 nurses are in training. While more are needed, we now have 211,000 doctors—or one for every 717 people in the population.

Thus, through the combined efforts of private practitioners, voluntary organizations, private industry, public and private institutions, and all levels of government—local, State and Federal—the many facets of our democratic society have been brought into close collaboration in the quest for better and better health.

*Care for the Disadvantaged*—What has been done to care for the disadvantaged—the old, the poor, the needy mothers with young children, the disabled? The picture is much the same as in the case of health: first, privately financed local institutions; then, growing responsibility by governmental agencies to supplement voluntary efforts.

Again, these programs are administered by local or State bodies close to where the people live, with grants of funds and guidance on standards coming from Federal sources. The great exception is the Federally administered system of old-age and survivors' insurance.

To look back a bit. As late as in 1929, 11¼ billion dollars in private benefactions accounted for nearly three-fifths of the total spent for welfare

projects. Twenty years later, private giving had more than doubled, but it represented less than one-fifth of the total. The stake of private agencies had grown. But, because there was a much bigger job to be done, the Federal Government had expanded public expenditures for welfare nine-fold.

In 1935 a system of Federal grants to States began to supplement the work already being done to aid dependent children, the blind, the disabled, and the indigent aged. Last year, more than 5 million people were receiving help from Federally aided public assistance, and another three-fifths of a million from State and local public funds, in addition to those helped by private agencies.

*Social Insurance*—But this is not all. The past two decades have brought to the United States the system of social insurance which European countries had begun to adopt even before World War I. We learned from them and made adaptations to our own peculiar set of circumstances.

The social-insurance system, adopted on a Nation-wide basis by the United States in 1935, is financed by contributions of employers and employees. Today, nearly 9 in every 10 paid workers are covered by this and other retirement programs. Dependents and survivors of beneficiaries also receive benefits. Since its inception, over-all benefit payments have increased by 75 percent and only this month—July 1952—the Congress voted another increase to help keep up with rising living costs.

Since life expectancy has been extended and a growing share of the U.S. population is over 65 years of age, old-age insurance is of great present significance. It provides by right of contributions a means for living out one's life with dignity and independence—a right so important in an urbanized, industrialized society where families are often scattered and do not and cannot assume the same responsibilities as in an agrarian society.

*Minimum Wages; Injury and Unemployment Compensation*—Finally, there are the number of social programs instituted in the past three decades to assure equitable pay and greater security on the job: minimum-wage legislation for women and, later, for men; workmen's compensation for those injured on the job; and, in the early 1930's, unemployment compensation—administered jointly by the Federal Government and State governments and financed by contributions from employers. This unemployment compensation system has been a great factor in maintaining stability in the economic scene and removing the fear of total loss of income in periods of unemployment.

### **Growth in Education**

The same multilateral and cooperative techniques are apparent in the way we educate ourselves. The goal of free and compulsory education

dates back to our early development. Yet, as recently as 1870 only a little over half of our children, aged 5 to 17 years, were enrolled in school and the average attendance was less than 80 days a year.

Consider the contrast today. According to an advance release from the 1949-50 *Biennial Survey of Education* published by the U.S. Office of Education, practically all of our school-age children actually are now in school and for exactly twice as much time each year. Compulsory education ranges from age 8 up to age 12. Over 19 million children are in elementary schools and nearly 6 million more are in secondary schools—for an average of nearly 160 days out of a 178-day session.

In addition, 38 out of each 100 secondary-school graduates are going on to college or university. Over 2½ million students are enrolled in regular sessions—to say nothing of summer sessions and evening and part-time enrollments. *Today there are more Negroes enrolled in institutions of higher learning than were enrolled in high schools in 1920.*

According to the same *Biennial Survey*, nearly 9 billion dollars—over 4 percent of the national income—was spent on public and private education. Of this, only a small portion—less than 3 percent—came from Federal sources in support of public education. Over half was supplied by local communities and the rest by counties and States. Education, in fact, has become the biggest public enterprise within the States.

This system of education represents a gradual refining and application of beliefs rooted in the tradition of the country. With us, education is the responsibility of the people, with legal control resting in local and State authorities—not the Federal Government. Education, as conceived in the United States, assures the survival of individual freedom. Everyone has the inherent right to educational opportunities consistent with individual requirements and ability to become a productive citizen.

Practically every child now has the opportunity for vocational, technical, or professional education beyond the secondary school. This better education has meant higher skills, more effective work and higher income. These in turn mean still better education in the future.

### **Progress Springs From Freedom**

I have gone to some pains to show the extent to which the United States has transformed itself in a relatively short time from an underdeveloped country to a high state of industrial and social development. But, in detailing our high levels of living, I have not meant to boast. Instead, I have used these details of living and housing and health to show how problems which affect all countries are being dealt with here.

I have attempted to bring out some of the mate-

rial and intangible reasons which have made for progress in the United States. I have mentioned the logic of our mass production, the contributions of free labor unions, the value of cooperative techniques, and others.

But there is more. We have, of course, been helped by our location which has protected us from the ravages of war and invasion. But again, it is far more than that.

As I said earlier, freedom is the fundamental ethic of the people of the United States. As a result of this freedom, there is initiative and inventiveness, a basic belief in growth and progress. There is a lack of class consciousness which springs from our faith in the dignity of the individual and the mobility—as much social as geographic—of the American, who does not hesitate to abandon one job and seek another that gives him greater satisfaction.

And, speaking of mobility, we cannot forget that we are a Nation of immigrants from scores of countries. These immigrants have brought with them their ideas and aspirations, which have become fused in the powerful dynamic which dominates American life. And if, in our present state, we are able to contribute ideas and methods to other countries, it is but one form of “the native’s return.”

### **The Totalitarian Way**

By contrast, let us now look at the promise and reality of the Communist world.

The Soviet system, as I said earlier, has taken over the end products of Western technology and some of its momentum. By introducing Western techniques and applying the fruits of scientific research, the Soviet Union has made progress in its agricultural, industrial, and above all, in its military equipment. I shall have more to say on that later on.

At the same time, the political philosophy and the social organization of the Soviets constitute a complete denial of those human values and concepts which have made for freedom and for progress in other parts of the world. This trend has become particularly marked during the last 20 years. These are the years which saw in Russia a resurgence of its traditional forms of despotism. And, in connection with this, there was brought about a marriage of shopworn and badly understood nineteenth century social theories with a militant anti-Western nationalism.

The result is a society with no understanding, let alone respect for the dignity and the rights of the individual. He, an unhappy man, is a tool of the all-powerful state. He has no political rights. True, there are the trappings of Western democracy; a constitution stipulating popular representation, the rights of man, and limits to governmental power. But, as Andrei Vyshinsky, the authoritative interpreter of Soviet law, has put

it: “The dictatorship of the proletariat is unlimited by any statutes whatsoever.”

Thus we have before us the pathetic picture of a great nation which, having cast off the yoke of an inefficient and corrupt monarchy, has fallen victim to an even worse despotism. All decisions on its political, social, cultural, and economic development are made by a few men in the Politburo of the Communist Party.

### **Distortions of Propaganda**

The individual is not allowed to conduct his own affairs, and he must even be careful about thinking his own thoughts. Completely shut-off from outside contacts, he is subjected day-in and day-out to an unrelenting propaganda which uses perversion and distortion as effectively as it uses the Big Lie, both as regards conditions at home and elsewhere in the world. This propaganda never fails to extol the wisdom of the leader and to expound the latest edition of the Marxist dogma. Woe to the heretic who sticks to the orthodox view of yesterday. He is fortunate, if let off after an abject recantation.

Where the propaganda of the dictatorship does not achieve its goals, terrorization does. Every totalitarian regime apparently needs and has its concentration camps. In the Soviet Union the victims of forced labor are not only political offenders who dared to speak out or act against the regime; they are also ordinary citizens who were suspected of a lack of sympathy with the Government.

I shall not enlarge upon these camps, even though they are an integral part of the socio-economic system prevailing in that country. There will be other opportunities to turn the searchlight of public inquiry and opinion on these camps when the report of the *Ad Hoc* Committee on Forced Labor becomes available.<sup>2</sup>

### **Subservience of Trade-Unions**

Instead let us consider the conditions of the ordinary worker in the Soviet Union. There was a time, in the early 1920’s, when trade-unions in the U.S.S.R. tried to act as defenders of the workers’ interests against the Government as the almighty employer. This interpretation of the trade-union’s role in a socialist state was short-lived; in fact, its proponents were equally short-lived.

Since they perished, the organizations which call themselves trade-unions in the U.S.S.R. have chiefly one function: To increase, in the interest of the State, the volume and quality of production while lowering the cost of production. Collective bargaining is not among their functions and the strike not among their weapons.

<sup>2</sup> For a statement by Mr. Kotschnig on evidence of forced labor in the U.S.S.R., see BULLETIN of July 14, 1952, p. 70.

The speed-up, as we know, is common and the norms are continually being raised. Soviet workers have to put up with whatever labor conditions their one and only employer dictates. Wages are fixed by the Government; so are prices, and working hours. Labor discipline is strict and any breach of its numberless provisions is severely punished. All jobs are frozen. Leaving the place of employment without the express permission of the management is punishable in court by imprisonment for from 2 to 4 months or, in defense industries, up to 8 years.

Since 1938 every worker has been required to have a labor book with detailed data on his employment history; this internal passport enables the boss to control the worker effectively at all times. To sum up: *Labor is defenseless against the monopolistic employer—the omnipotent State. It is hedged in by punitive legislation. It is under constant pressure to increase output.*

It is a question whether the main purpose of the rulers of the Kremlin is really the economic and social progress of their country, and the happiness of their people; or whether they are driven by an unlimited lust for power which knows no frontiers, be it the sacred preserves of the individual or the borders of other nations.

One thing, of course, is evident: The Soviet regime, at the cost of developing consumers industries, has built up a gigantic military machine and heavy and engineering industries able to support a prolonged war effort.

There is another question to ask: Has the Soviet system of complete regimentation paid off in terms of social dividends? Has the sweat and toil of the Soviet worker, not to mention his loss of freedom, been compensated by a better life for the people and by higher standards of living? Or has this regimentation resulted in a lack of individual initiative, a lack of productivity, a lack of social inventiveness, and hence a lack of achievement in terms of better living?

As I stated earlier, Russia has made progress in certain fields during the past third of a century. I am the last to deny that. The education of the masses, once woefully neglected, has greatly improved; you cannot build a modern industrial society with illiterate people. Besides, the written word is one of the most powerful means of propaganda.

Women in the Soviet Union are, by and large, on an equal footing with men. This means, for all practical purposes, that they have as much or more work and as little to say. At the cost of a loss of all freedom, full employment is said to have been secured, even though frictional and seasonal unemployment continues. Facilities for leisure time activities have been created. But, here again, leisure has been made to serve the interests of the almighty party-state rather than the enhancement of the individual.

## To Earn a Loaf of Bread

But what of the basic elements which enter into what is commonly called the standard of living?

An approach to this question can be found by comparing the time it takes a worker in Moscow and in some of the free countries to earn the necessities of life. Take food, for example. A recent study shows that it requires 4½ hours of working time for a typical factory worker to buy a pound of butter in Moscow as compared with a little under 2 hours in Germany, three-quarters of an hour in Denmark, and half an hour in the United States.

It takes 9 minutes of work in a factory to earn a pound of potatoes in Moscow. Throughout Western Europe and North America it requires not more than 5 minutes, and as few as 2 minutes, whether it be in Italy or Denmark or Germany or the United States. The cost of a pound of bread varies from about 14 minutes of work in Moscow to 6 to 10 in the United States, Switzerland, Ireland, Denmark.

It takes nearly twice as long to earn the money to buy a pound of pork in Russia as in Italy and three and a half times as long as in Norway. For a pound of sugar it takes a little under 2 hours work in Moscow as compared with 37 minutes in Italy, 21 minutes in France and Germany, and 4 minutes in the United States.

In part, of course, these great variations are the result of governmental policies with reference to food prices and production. But they are quite as much a reflection of greater productivity of workers in real terms in the free countries of the world.

This picture can be supplemented by a few figures regarding that part of the national income in the U.S.S.R. which enters the consumers market. It may be recalled that as a result of Lenin's New Economic Policy, which meant a return to a limited free-market economy, Russia recovered from war and revolution and doctrinaire experiments and by 1928 had roughly regained its 1913 level of national income. According to a careful and objective paper recently submitted to the Conference on Soviet Economic Growth sponsored by Columbia University, total consumption in 1928 amounted to 21 billion rubles.

There followed the introduction of economic planning à la Stalin. The result was that by 1937, i.e., before the conversion to a full war economy once again reduced the standard of living, Soviet consumption—expressed in rubles of the same purchasing power—had increased to 23.3 billion. In the meantime, however, the population had risen from 149 to 168 million people. *Thus consumption per capita in 1937, the peak before the Second World War, remained as low as in 1928, the peak before the period of socialist planning, and as low as 1913, the last year of peace in Tsarist Russia.*

There is every evidence that since then per capita consumption has increased only slightly

if at all. To illustrate this startling statement I wish to introduce a few unpublished figures from the 1951 household budget of a Moscow family—figures which, incidentally, have been carefully checked.

### **How a Moscow Family Lives**

The family consists of three people, a couple and their only child, who enjoy an income far above the average. The average monthly Moscow wage is approximately 600 rubles, but our man, a white-collar worker, earns almost twice as much, i.e., nearly 1,200 rubles a month. His take-home income is about 1,000 rubles, since approximately 200 rubles are deducted for taxes and for subscriptions to the governmental lottery loan. These subscriptions are, for all practical purposes, compulsory, and vary with the income. They are, therefore, but a form of taxation.

The rent amounts to 60 rubles with 9 rubles added for gas, between 10 and 20 rubles for electricity, and 25 rubles for private telephone. This comes to 104 to 114 rubles in all. The telephone, of course, is a luxury for Moscovites, but the man needs it for his job. The rent seems to be cheap but you have to consider Soviet housing conditions.

This family shares its 3½-room apartment with two other families. Our white-collar worker, having a relatively high income, lives with his wife and child in 1½ rooms. The two other families are crowded into one room each, although one consists of four, the other of seven persons. Altogether, there are 14 people in the 3½-room apartment and they all share one toilet and one kitchen. With such crowding, the rent is high enough.

It should be said in parenthesis that Soviet housing necessarily continues to be poor despite crying needs which have been accelerated by war damage. This is because the military establishment and heavy industry have first claim on investment funds. I quote from the ECE (*Economic Commission for Europe Economic Survey of Europe in 1951* (page 80) :

The extent of over-crowding in [Soviet] cities is indicated by the fact that in 1939, urban dwelling space averaged only about five square meters per person, or about ½ to ⅓ as much as in most Western European countries.

Since then, housing conditions have deteriorated. In recent years the average Soviet urban dweller had slightly more than 3.5 square meters of dwelling space or about 38 square feet. May I mention in this connection that in the United States the inmates of Federal prisons are allotted 54 to 65 square feet per person?

To go back to our white-collar worker. After paying his taxes, his rent and utilities, and about 30 rubles for subway fares, he is left with a little over 800 rubles, all of which go for the purchase of food. And this, in fact, is barely enough to

feed the entire family, let alone to provide adequate clothing.

His wife has to work in order to help meet the family bills for the bare necessities of life. This is not surprising, considering that even after the price cut of March 31, 1952, a liter of milk costs about 3 rubles, a kilogram of butter almost 32 rubles, and a kilogram of pork or fresh fish about 24 rubles. With such prices, 800 rubles are quickly spent. It should be remembered that 800 rubles are more than the average wage earner's total monthly income.

### **An Ideal Place for Millionaires**

I said earlier that over the past two decades income distribution in the United States has been substantially leveled up. In the U.S.S.R. the opposite development can be observed in the same period. There is a growing diversification in incomes and with it there has emerged a new class structure.

The Soviet Union has developed several upper classes. These are formed, at the top, by the leaders of the party and government, the managers of large enterprises, and well known intellectuals; and, on the next level, by minor dignitaries and luminaries, while the toilers are left behind. The upper class may not own enterprises but they run them; they have large incomes and endow their children with an expensive education, valuable contacts and, at their death, with a considerable inheritance. For not only are income taxes in the U.S.S.R. low on high incomes but there appears to be no inheritance tax. From a fiscal point of view the Soviet Union is an ideal place for millionaires.

These are telling facts. The student of Soviet affairs, as he puts together the bits and pieces of information which penetrate the Iron Curtain, cannot help feeling that there is something fundamentally wrong in the Soviet system.

There appears little, if anything, left of the revolutionary fervor of the early years of the regime. And there is none of the drive for change and individual improvement and a better society which characterizes the world of the free.

All that appears to remain is an eager expectancy, a make-belief that the free countries of the world will collapse, and that their people too will be pulled down to the levels of the proletarian state.

### **Experience in Satellite States**

We have examples of that kind of "leveling" in the satellite states which embraced the Stalinist creed not because they wanted it, but because a Communist minority under the protection of the Soviet flag established a "dictatorship of the proletariat" in accordance with the Soviet pattern. There is nothing missing: Purges and forced labor camps, the same system of exploitation, the

same policy of militarization, including the forced construction of armament factories at the expense of consumer industries. There is only one basic difference. Some of these countries once enjoyed not only model democratic institutions but also a high standard of living. All that is gone.

Czechoslovakia, for instance, was a prosperous country before the war and was on its way to recovery in 1947, but living standards have steadily deteriorated there since the Stalinist seizure. The President of Czechoslovakia himself, in his New Year's message of 1952, had to refer to "the difficulties we experienced during the past year, especially in the general consumer market, and which admittedly caused a good deal of irritation, particularly to our housewives."

This statement is not unexpected when it is recalled that Communist Czechoslovakia, 7 years after the war, had to maintain or reintroduce strict rationing of bread and other foodstuffs, soap, and textiles. At that, the rationing system does not even work. In the words of Commissioner of Trade Jan Busniak, as broadcast on January 18, 1952:

We have witnessed frequent defects in our rationing system. . . . Often not enough commodities were available to honor valid ration cards. . . . The free market was not supplied with enough commodities to cover the justified requirements of the working people.

The reintroduction of bread rationing in March 1951, incidentally, was due to Soviet withholding of promised grain deliveries. This fact seems strangely at variance with what the Czech delegate called the U.S.S.R.'s "brotherly aid" to his country.

### **General Conclusions**

I wish now to draw a few conclusions from all that has gone before. The first is that the socio-economic problems of the world, although formidable, are not insoluble. Anyone reading the report on the world social situation must be impressed and encouraged by the striking advances in standards of living and social organization which have been achieved within a few generations in large parts of the world. There is hope for the poor and the oppressed, the sick and the illiterate everywhere. It has indeed become possible to think of "the welfare of the whole human race as a practical objective."

Second, these advances are the direct result of scientific discoveries and technological progress which are in turn based on free inquiry and the application of social intelligence. They are attributes of evolving democratic societies which derive their dynamic qualities from a recognition of the dignity of the individual and his ability to think and act for himself.

Third, the claim of international communism to be able to meet the needs and the rising expectations of people, particularly in the underdeveloped countries, appears to be hollow. Its methods are

at complete variance with the values and concepts which have made for progress elsewhere.

Still, and to test the Communist claim, I have made an analysis of their society as it exists today. The result, I believe, has been to show that mere technology cannot solve human problems. Human values and human rights—the rights of individuals—these are all important. In spite of the fact that the Soviet people have been driven to ever greater production their living standards continue to appear pitifully low. And, having contributed so little to the welfare of its own people, one wonders what the Kremlin can contribute to the welfare of others.

If there is any further proof needed of the soundness of these conclusions we only need to look for a moment at the United Nations and the specialized agencies. They are a signal expression and a confirmation of one further conclusion reached in the report. This states

Governments have accepted the principle that in the interests not only of their own communities but of the world in which these communities exist, they must organize and undertake mutual aid.

Yes, we have organized for purposes of mutual aid. We have created a technical assistance program which is perhaps the best means of making available, wherever it may be most needed, the end-products of 100 years of progress in technical knowledge and social organization.

Through the World Health Organization we are combating the great killers of mankind such as malaria, tuberculosis, and the endemic diseases that are the scourge of tropical countries, and we are laying the foundations for health services which will mean greater productivity and happier lives for untold millions of people. Through UNICEF (United Nations International Children's Emergency Fund), millions of children have been helped to survive and to grow into useful citizens of tomorrow.

Through the International Labor Organization we are assisting in the training of manpower and the improvement of wages and working conditions. We are aiding in the establishment of systems of social security and other guarantees to assure those who need it most a proper share of any economic advance their countries can achieve.

And through the United Nations itself, in cooperation with the specialized agencies, we are helping in the development of community service and welfare centers as part of the drive for higher standards of living.

In formulating all these programs and in building up the organizations to carry them out, the nations of the world have shown real social inventiveness. They have shown that the days of fatalism are indeed over. They are—in the words of the report—inspired by a new ethic and are carried forward by new dynamics which augur well for their future and the future of the world.

It is significant, however, that one group of

countries refuses to have any share whatsoever in that heroic drive for a better world which is within our reach. These are the countries under Communist control. They have refused to have any part in such organizations as the World Health Organization, the United Nations Educational, Scientific and Cultural Organization, or the Food and Agriculture Organization. They have not made a single expert available to advance the expanded program of technical assistance. They have contributed neither funds nor supplies. They have offered nothing but obstruction and sterile criticism.

Since these are the countries in which freedom has died, we have in our very midst a striking confirmation of my thesis that freedom is not just a philosophical concept but a most powerful force for human advance.

Still, and despite the abstention and the obstructionism of the Communist countries within the United Nations, our efforts to advance the economic and social standards in the world by mutual effort are becoming increasingly effective. We feel certain that when another edition of the *Report on the World Social Situation* appears a few years hence it will reflect these efforts.

Of course, more, much more, needs to be done. I shall not enter into any details at this point. I shall have more to say when we discuss the report of the Social Commission. I would like, though, to emphasize certain points as matters of immediate concern.

My delegation, together with the Government and people of the United States, is looking forward to the publication in 1954 of a companion volume to the present report—a volume which will offer us a survey of national and international measures taken to improve the world social conditions outlined here. My delegation believes that such a companion volume will help us to discover and to refine the most effective methods that can be used nationally and internationally to improve world social conditions. . . .

Second, we hope that the present report and our discussions of it, as well as the consideration of the report of the Social Commission, will lead to greater concentration of efforts in advancing those social objectives which can most effectively be attained by way of international cooperation. . . .

In the demand by the underdeveloped countries for higher living standards there lies a great challenge to the United Nations. As one of the United Nations, the Government and people of the United States have deeply committed themselves to the great effort of mutual aid in which we are here engaged. We shall continue to cooperate in this effort through the United Nations and the specialized agencies for a social advance beyond today's achievements. And we fervently hope that some day the bells of freedom will ring throughout every land of this world. For it is only in freedom that ever greater progress can be attained and secured for all.

## The Soviet Germ Warfare Campaign: The Strategy of the Big Lie

*Statements by Ernest A. Gross*

*Deputy U.S. Representative to the United Nations*

### SECURITY COUNCIL STATEMENT OF JULY 1

U.S./U.N. press release dated July 1

I should like to explain to the Security Council why the U.S. Government felt impelled to request on June 20 the addition to our agenda of a new item entitled "Question of request for investigation of the alleged use of bacteriological warfare."<sup>1</sup>

The draft resolution circulated by the U.S. delegation on the same date, document S/2671,<sup>2</sup> refers to the concerted spreading of grave charges by Communist governments and authorities, including charges made in the United Nations by representatives of the Soviet Union, that U.N. Forces

fighting against Communist aggression in Korea have resorted to the use of bacteriological weapons.

For many months the world has been exposed to a campaign, both false and malicious, the target of which is nothing less than the United Nations itself. Few people are deceived. The very methods employed to fabricate evidence and to propagate the charge have revealed the lie for what it is.

However, the campaign should not be shrugged off or ignored as merely another example of the evil nature of international communism. The venom which is being injected into the minds of men is intended to confuse, to divide, and to paralyze.

Another objective clearly is to isolate the free world from the United States. They try to do

<sup>1</sup> For text of statement made on June 20 by Ambassador Gross, see BULLETIN of July 7, 1952, p. 35.

<sup>2</sup> *Ibid.*, p. 37.

this by singling us out for special condemnation. This is why the people of the free world should, for their own security, take a cold, hard look at the facts.

It must be remembered that the germ warfare charges, as such, are but a part of a still larger campaign of hatred now in progress in the Soviet Union and areas under its control and influence. The United Nations will do well to watch this development closely in all of its manifestations. Whatever the basic motivations behind it, however, one fact stands out clearly: They are utterly contradictory to any claim by the Soviet regime, the self-styled leader of the international Communist movement, that it is interested only in world peace and the improvement of international relations. The campaign of hatred is the very contradiction of an expression of peaceful intentions.

### Origins and Nature of the Campaign of Hate

Now, what are the facts concerning the origins and nature of the campaign of false charges concerning the use of germ warfare in Korea by the Unified Command?

In 1951, during the period of Communist military set-backs in Korea, there was a minor campaign alleging the use of bacteriological weapons by the U.N. Forces in Korea. The 1951 campaign was launched on March 22—by a brief item on the Peiping radio, immediately picked up by *Pravda*. The Peiping item reporting that the U.N. Command was engaged in the production of bacteriological weapons for Korea was allegedly drawn from Japanese sources. The actual source of the report was a Soviet publication, reviewed in *Red Star* on April 4 and titled: "Bacteriological Warfare Is a Criminal Weapon of the Imperialist Aggressors." In March and April there were other brief mentions preparatory to a major charge on April 30. *Pravda* repeated the false charge on May 5, and on May 8 the North Koreans dutifully sent an official protest to the United Nations. But this campaign soon died out except in North Korea, which had to justify a breakdown of sanitation and medical facilities and a smallpox epidemic. It was not until the present 1952 campaign that the heavy guns of Soviet propaganda blasted out on germ warfare.

The present campaign has been gaining momentum since February 23, when the official Moscow press repeated a brief Peiping radio broadcast alleging that U.N. aircraft had dropped germs on North Korea. There followed protests by the North Korean and Chinese Communist Foreign Ministers, a sharp increase in Soviet press and radio comment, denunciations by the Soviet-controlled World Peace Council, and staged mass meetings of protest in the Soviet Union.

My Government and the U.N. Command real-

ized that the charges aired in February 1952 portended a world-wide campaign of far greater scope than the sniping character of previous germ warfare charges.

On March 4 the Secretary of State of the United States therefore said:

I would . . . like to state categorically and unequivocally that these charges are entirely false; the United Nations Forces have not used, and are not using, any sort of bacteriological warfare.<sup>3</sup>

I now repeat and reaffirm this denial.

Similar flat denials were made by the Secretary-General of the United Nations, by the U.N. Commander in Chief, by the Secretary of Defense of the United States, and by numerous other responsible officials of other U.N. members, including those contributing forces to the repulsion of aggression in Korea. All of these persons were in a position to know what they were talking about.

My Government took further steps in an attempt to forestall this campaign of hate before it developed to dangerous proportions. As soon as the campaign was launched, the Secretary of State challenged the Communists to submit their charges to the test of truth by allowing an impartial investigation. On March 11 he requested the International Committee of the Red Cross (ICRC), as a disinterested, international body, to determine the facts.<sup>4</sup> This investigation, the Secretary said, would determine the extent of the epidemic then apparently in progress in North Korea and would provide additional evidence of the falsity of the biological warfare charge.

To these ends, the Secretary emphasized the need for an investigation on both sides of the battle lines in Korea. A specific invitation was issued to the Red Cross investigators to cover the areas behind the U.N. lines.

The International Committee of the Red Cross agreed to set up a committee to make such an investigation, provided both parties agreed to it and offered their cooperation. The committee was to consist of "persons who will offer every guarantee of moral and scientific independence which could be offered by experts who have the highest qualifications, especially in epidemiology," and would include scientific experts proposed by Far Eastern countries "not taking part in the conflict."

The Secretary of State accepted the offer of the International Committee of the Red Cross at once.<sup>5</sup>

### Communist Reversal of Attitude Toward the ICRC

The Communists have yet to give the International Committee of the Red Cross an official and definite answer. However, the Soviet-controlled propaganda machines all over the world

<sup>3</sup> *Ibid.*, Mar. 17, 1952, p. 427.

<sup>4</sup> *Ibid.*, Mar. 24, 1952, p. 452.

<sup>5</sup> *Ibid.*, p. 453.



at once began a drive to blacken the character of the ICRC.

The attacks on the ICRC have not diminished the respect in which it has long been held by the world for its impartiality and its works of mercy. My Government still believes that it is pre-eminently the logical choice to conduct an investigation into these charges, with the aid of such scientists of international reputation and other experts as it may select.

The Kremlin has often tried to divert public attention from its own wrongful acts by seeking to destroy confidence in fair methods of learning the truth. There is no excuse for their attacks upon the ICRC. They should not be permitted to destroy so valuable and important a servant of the international community.

Only 5 days before Soviet propaganda denounced the ICRC as a tool of the "imperialists," *Humanité*, the Communist newspaper in Paris, itself suggested the possibility of a Red Cross investigation. The ICRC was not "imperialist" then, because the Communists had not yet labeled it so.

Moreover, Red Cross societies in a number of the Soviet satellite countries had themselves shown their respect for the ICRC. On March 6, 1952, the Rumanian Red Cross asked the ICRC and the League of Red Cross Societies "to make urgent approaches to the United States Government and the United Nations to the end that immediate measures would be taken" to end the use of germ weapons in Korea. The Soviet-controlled Polish and Hungarian Red Cross societies in February of this year made similar appeals to the International Committee of the Red Cross. The Red Cross of Communist China itself, in 1951, addressed appeals to the ICRC—the very organization it now began to assault and seek to undermine.

The rapid reversal of attitude on the part of the international Communist movement toward the Red Cross is in itself an exposure of the falsity of the germ warfare campaign. We see that Communist parties around the world actually appealed to the Red Cross up until that moment when a real investigation became possible. Then, suddenly, the Soviet propaganda apparatus went hurriedly into reverse gear, and the International Committee of the Red Cross became overnight an alleged "tool" of Wall Street.

Soviet propaganda, on the heels of the United Nations denials and the request for impartial investigation, at once began to push the campaign of hate and lies with intense vigor.

On March 13, the day after the ICRC communication to the Communists, the Soviet authorities launched in Moscow an organized mass meeting of "workers"—a meeting characterized by parroting of the charges in a manner designed to create a bitter and burning hatred against the United States and the U.N. effort in Korea.

Typically, *Pravda* on March 14 reported the following statement from the Moscow meeting:

Their barbarous activities threaten the spread of terrible epidemics of fatal illness in countries of Asia and Europe. The peoples' conscience cannot reconcile itself to inhumane and savage crimes of these misanthropists who defy elementary laws of general morality.

The venom was being injected. The Moscow meeting formed the pattern for similarly staged sessions throughout the controlled world of international communism.

The Moscow newspapers, *Pravda* and *Izvestia*, both devoted full pages on March 14 to the Moscow "hate" session and the Soviet radio gave far greater attention to the germ warfare charges than to any other item.

On March 13 Peiping announced the formation of a so-called "investigation commission" carefully selected from among Chinese Communists to insure its partiality. Before it began its work, its chairman announced that its purpose was "to gather the various criminal facts on bacteriological warfare waged by the American imperialists." On March 14 the Soviet representative made a further move to enlarge the scope of the campaign by introducing the charges of germ warfare into the Disarmament Commission. On March 15 the satellite Hungarian Government loyally echoed the Soviet "Fatherland" protest campaign. And on March 16 the French Communist paper, *Humanité*, came forth with its first big spread on germ warfare. The major Communist papers of India, Brazil, and Canada took up the charges. Thus, within 4 days of the United Nations acceptance of the ICRC offer of investigation, the heavy guns of Soviet world-wide propaganda had begun to blast.

Another so-called investigation was staged by a committee of the International Association of Democratic Jurists, another of the many Soviet-front organizations. This group was sent out, according to *Pravda*, on March 4 "in order to investigate and establish the crimes committed by the interventionists in Korea, in violation of all international agreements."<sup>6</sup> Indeed, it received directives while in Soviet Siberia on its way to Korea to prove other so-called crimes against the U.N. Command. The commission was made up of currently faithful followers of the party line, although its chairman, Brandweiner, was a former Nazi, as was another member, Dr. Melsheimer. Brandweiner was not merely a Nazi party member—he was a member of the *Rechtswahrerbund* of Berlin.

In short, all the familiar elements of Soviet propaganda are present in this campaign: The linking of alleged Japanese bacteriological warfare experiments with the United States, the charges of "war criminals" and the demand for

<sup>6</sup> U.N. doc. S/2684/add. 1, dated June 30, 1952, contains the "findings" of this association.

trials, the accusations of violating the Geneva protocol and Red Cross conventions, the so-called "eye-witness accounts," the so-called "confessions" of American prisoners of war who suddenly begin talking in Marxist clichés, the so-called "scientific" evidence revealing the unnatural appearance of bugs out of season in unusual places, the allegedly "impartial" investigations by puppet groups, the hollow protests by Communist-front organizations.

### **Moscow's Planning and Coordination**

These devices became increasingly apparent as the campaign gained momentum. In the last weeks of March, the Soviet propagandists concentrated their fire primarily on the captive audience behind the Iron Curtain. It can be assumed that there was some degree of corrosion of the minds of men and women behind the Iron Curtain, who have so little opportunity for access to the truth. A most ominous aspect of the campaign is its intensity within the Soviet Union itself.

During March, Moscow was preparing the Communist press and other organs outside the Curtain for their major effort. At the meeting of the Soviet-controlled World Peace Council Executive Committee at Oslo on March 29 to April 1, Moscow gave the signal to open the major phase of the germ warfare campaign throughout the non-Communist world. The basic propaganda material was passed out either at Oslo or the World Peace Council headquarters at Prague. To take one example, the Uruguayan "peace" leader, José Laris Massera, was summoned to Prague on April 4 and was given instructions by Soviet agents to wage an intensive germ warfare campaign back home.

From April to the present time, the so-called "peace partisans" have danced to the Kremlin tune. In each country, they have gone through virtually the same act: A national meeting, a series of local meetings, pamphlets, posters, petitions, rumors, statements by other front organizations, doctors, scientists, lawyers, and so forth; all the familiar Communist fronts, stooges, and war-horses have been dragged out to support the germ warfare campaign. In a few countries there have been added flourishes: In Brazil, a traveling exhibit, modeled after a Peiping show, attempts to introduce the charges into parliamentary bodies in Israel, India, Denmark, Brazil, and Sweden; a "word of mouth" campaign in Iraq. At the same time, the Communist press in these countries has continued to blare forth.

The parallel tactics of the so-called "peace partisans," and the repetition by Communist newspapers throughout the world of stories and propaganda material first emanating from Moscow and Peiping, make clear the high degree of coordination and planning exercised by Moscow in the germ warfare campaign.

The official Soviet press and radio organs set the tone for the world-wide campaign of venom and hate. Typical of Moscow's words of hate are three recent statements in *Pravda* and *Izvestia*, the official organs of the Soviet Communist Party and the Supreme Soviet of the Soviet Union. From *Pravda*, June 7, 1952:

The ideologies of American imperialism call for a halt in the growth of population in all countries, except the USA, and more killing of the living by wars, hunger and epidemics. And this isn't just a "theory" of the cannibals. Their whole practice corresponds entirely to the cannibalistic ideology.

The American cannibals are walking in the footsteps of the Hitlerite plunderers. In Korea they have killed hundreds of thousands of the peaceful inhabitants, including 300,000 children. Unleashing germ and chemical war, the American interventionists have the wicked aim of making Korea a desert land, uninhabited.

Again in *Pravda* on June 25, 1952:

The American invaders are using the most inhuman, barbaric means of warfare on a large scale . . . Trampling on generally recognized international usages, the American military used criminal, large-scale bacteriological and chemical warfare . . . bombs.

Again in *Izvestia* on June 25, 1952:

But . . . this is a trifle compared with the atrocities to which the United States interventionists resorted later—the U.S. interventionists who beat their predecessors in international brigandage, the Hitlerite fascists. In Korea and Northeast China, the U.S. imperialists used the barbarous bacterial weapon which is condemned by the entire mankind and prohibited by the Geneva Protocol of 1925.

Such accusations have been reiterated by the Soviet representative in the Disarmament Commission. Typical is the following statement by Mr. Malik, U.S.S.R. representative in Committee 1 of the Disarmament Commission, on April 9, 1952:

Having launched a bloody war against the heroic freedom-loving Korean people, the United States aggressors in the very first days of their murderous adventure in Korea became guilty of atrocities and unheard-of savagery towards that country's unarmed and peaceful population. After all their attempts to break that heroic population's fighting spirit had failed, the United States aggressors committed a horrible crime against peace and against mankind. They resorted to the use, in Korea and China, of the bacterial weapon, which has long been condemned by all civilized countries and nations as shameful and criminal.

Moscow's direction and control of the enterprise is illustrated by an event at the beginning of May. The Kremlin's propagandists realized that a very poor reception had been given the so-called "report" of the hand-picked "Democratic Jurists Committee." Soviet agents in Korea reprimanded the Chinese Communists and North Koreans for not having produced enough so-called "evidence" for these jurists. The jurists had been provided only with the standard tours of bombed-out areas in Pyongyang and a few photographs, which were obviously meaningless. The Soviet agents requested their Chinese and North Korean stooges to get busy and provide a higher quality of propa-

ganda evidence for the summer phase of the germ warfare campaign.

It was only a few days later that Peiping announced the so-called "confessions" of two American fliers. The so-called "confessions" were dictated, if not written, by someone unfamiliar with the English language. For example, a photostat of a handwritten document called a "confession" was published in the Paris newspaper *Ce Soir* on June 13. The title of the letter reads: "How I was forced to take part in bacteriological warfare by the US Wall Street." The last line of the photostat letter reads: "I was blamed by my conscience and good will for the crimes." There are other expressions typical of the Communist propaganda line, which we have heard so often from the Soviet representative in the Security Council. These phrases would be as unfamiliar to the two authors as the Russian language itself.<sup>7</sup>

Such Soviet cynicism about "evidence" is not unusual. The Communists have always had a repugnance for open legal inquiry and proceedings. The glare of open publicity has had the effect of wilting the "evidence" so carefully manufactured by Soviet propagandists. The extraordinarily clumsy nature of the attempts to fabricate evidence reveals the Soviet contempt for the common sense of free men.

#### Bugs Out of Season in Unusual Places

In the original Communist broadcasts, each alleged incident was described in detail. Putting them together, the charge is that germs were spread by a variety of germ-carriers which would surely enrich any museum of natural history.

Independent scientists, including at least 10 Nobel prize winners, have publicly expressed complete skepticism of the charges. They have ridiculed the tales of spreading typhus and plague through the medium of infected fleas and lice in the freezing winter temperature of Korea. They have pointed to the established pattern of epidemics in that part of the world, where diseases such as typhus and plague may be expected to assume epidemic proportions unless the authorities are tireless in controlling their natural carriers. Dr. Feisal Sheikh El-Ard, of Syria, chief U.N. public health officer in Korea, has recalled the task the United Nations faced in combating disease in the Republic of Korea. He said:

Eighteen million people were vaccinated against typhoid, 16 million against typhus, 15 million against smallpox, and 2 million against cholera.

All this resulted in the decrease of victims of these epidemics from 15 thousand or 30 thousand a month to 40 to 70 a month.

Dr. Feisal pointed out that the only North

<sup>7</sup> For a press conference statement by Secretary Acheson on these "confessions," see BULLETIN of May 19, 1952, p. 777.

Korean comment on this life-saving work was a radio broadcast saying that the U.N. Forces were spreading germs in South Korea and that we were trying to kill the greatest number possible of its population.

It is typical of the real U.N. attitude toward epidemic and disease that, when the charges of bacteriological warfare were first made, the World Health Organization offered to provide technical assistance in controlling the reported epidemics in North Korea.<sup>8</sup> This offer was transmitted to the North Korean and Chinese Communist authorities in three successive cablegrams by the U.N. Secretary-General. After one month of silence, this offer of assistance was rejected.

If the Soviet Government had any regard for the truth, recourse to the Security Council was always open to it.

Instead, the Soviet representative brought the charges to the Disarmament Commission, which was not competent to discuss them under its terms of reference. In the Security Council, in contrast, he insisted with a straight face that his Government saw no connection whatever between their germ warfare charges and their resolution on the Geneva protocol. The distinction was not as apparent to Soviet authorities on June 15. The June 15 issue of *Pravda* stated that the United States "began to apply the criminal methods of mass homicide condemned by all honest men and banned by international conventions on poisonous substances, bacterial weapons, and napalm."

Also on the Moscow radio on June 23, 1952:

The American militarists, as is known, have already brought barbaric germ weapons into use against the civilian population of Korea and China. It is impossible not to link these facts with the refusal of the United States Government to ratify the Geneva Protocol of 1925.

The Soviet pretense that its request for Security Council action on the Geneva protocol has nothing to do with its germ warfare charges is also shown up by a request of its puppet organization, the International Association of Democratic Jurists. At the Vienna session of the association's council meeting April 16 to 18, 1952, it passed a resolution, including the following appeal to the U.N. Security Council: "We propose that the Security Council immediately consider the findings of our commission as well as other proofs pertaining to bacteriological warfare."

#### Soviet Charges Seen as Direct Assault on U.N.

In asking for an investigation of these charges, we believe that much more is at stake than the establishment of their falsity. We are not asking mere vindication of the honor and good name of the people of the states which compose the Unified Command in Korea. The history of the states re-

<sup>8</sup> For a statement by Secretary Acheson relating to Wiro's offer, see *ibid.*, Mar. 31, 1952, p. 495.

sisting aggression in Korea, the character of their people, and the nature of their governments can withstand this type of attack.

The strategy of aggression by lie demonstrates what can happen when a tyrannical state, possessed of modern means of mass communication, chooses to whip up hostility against freedom-loving peoples. Here is a case study of a means that is being used to a clearly defined end. It is apparently necessary to the security of the totalitarian state that its people fear and hate the peoples of other countries. Chronic hate campaigns are, therefore, essential to the perpetuation of the authority of the regime in power.

The charges are a direct assault by the Soviet Government upon the members of the United Nations who have sent their sons to protect the independence of Korea from Communist aggression. It is part of the campaign of lies which the Kremlin leaders have waged ever since the unprovoked Communist attack of June 25, 1950—a campaign which centers upon the Big Lie that the United States and the United Nations were the aggressors in Korea. It is a part of the campaign which pretends that the Soviet Union has taken an initiative for peace in Korea when the truth is that at each step and at every turn it is the United Nations which has taken the initiative for peace, whereas the Soviet leaders have aided in the aggression and have refused to say the word which could bring it to a halt.

This is why, up to now, at least, the Soviet Government has conducted this campaign, while using its power to stave off an impartial investigation into the facts. If what I say is not true, then the Soviet Government must allow the investigation to proceed. If it is true, then we will witness here, as we have witnessed elsewhere, a calculated attempt to prevent the world from determining the real nature and purpose of these baseless accusations.

The methods used to spread these charges are not unknown to modern history. In the past, both Hitler and the Soviet authorities resorted to the deliberate lie as an instrument of national policy—both at home and abroad. There is an ominous similarity between the tactics used by the Nazis and those of the Kremlin leaders.

The resolution which I have submitted to the Council is an honest challenge to the Soviet Government. Having been caught in a lie, it may be difficult for that Government to accept an impartial body which exposes their conspiracy.

When I make this prediction of exposure, it is because the United Nations is charged with germ warfare and we know as a stark fact that no such weapon has been used by the United Nations in Korea or anywhere else.

The former U.N. Commander, General Ridgway, said in Rome on June 17:

I know of no better illustration of the deliberate use of deliberately fabricated falsehoods by Communist lead-

ers than their charges that the United Nations Command employed germ warfare in Korea.

As former Commander-in-Chief of United Nations forces in Korea, and as God is my witness, I tell you that no element of that Command employed any form of germ warfare at any time, and that all of the so-called "proof," including photographs, was manufactured by the Communists themselves.

Any truly impartial body will verify these facts.

But if I may repeat in different words a statement I made a few moments ago, there is a much larger issue involved here.

Recently, in the official newspaper of the Presidium of the Supreme Soviet, *Izvestia*, there was a front page editorial which carried a message of hatred to the peoples of the Soviet Union. The very violence of the language is almost incredible. The U.N. Command in Korea—in Moscow they call it the American Command—is accused of "utilizing the most fantastic and revolting means for achieving their criminal purposes."

Speaking on behalf of the Soviet Government, *Izvestia* tells the Russian people that the U.N. Forces in Korea have tortured prisoners with red hot irons and forced them to sign so-called "treasonable" statements in their own blood.

It is sinister indeed that a modern government, of the size and power of the Soviet Union, should be feeding its citizens on such raw poison. In this campaign, truth is the first casualty of a calculated policy of state. Nor is this campaign confined to the Soviet Union. As the source of lies that go out by conveyor belt to Communist Parties around the world, the Soviet regime spreads this message of hate far beyond its own frontiers.

We do not know where this policy of hate will lead the Soviet Government. We do know that the United Nations and the world as a whole must be vigilant and alert to its effects. For it is a revolt against the fundamental purpose of the Charter to develop friendly relations among nations.

But the United Nations can deal with this threat to international peace and security—a threat which is made in Moscow. The charges have been sponsored and spread by the Soviet Government. That Government has made allegations as to dates and places of so-called germ raids. The Soviet Government has conspired in fabricating and publicizing so-called "evidence" in support of these charges.

An impartial commission of investigation is the only means of getting to the bottom of these charges. If what we say about the campaign of hate is not true, the Soviet Government can show us up. What we propose is an impartial investigation into the facts. We are confident that any such investigation will wreck their germ warfare campaign. But if they reject the investigation, they wreck the campaign just as surely, for then

they confess to the world that they know the charges will not bear the light of day.

There is the challenge. Let them accept it in the name of the truth.

### SECURITY COUNCIL STATEMENT OF JULY 3

U.S./U.N. press release dated July 3—Excerpts

The U.S. Government voted in favor of an impartial investigation of the charges made against the United Nations, which charges were sponsored, spread, publicized, repeated here by the Soviet representative and by his government elsewhere. The Security Council itself has voted to investigate these charges. The Soviet representative has frustrated by his veto the effectiveness of the vote cast by the other 10 members of the Security Council.

We feel and we believe that all members of the United Nations who are loyal to the Charter feel that the Soviet Union by its action here today has revealed its true purpose in the campaign of lies and of hate which it has sponsored and which it has disseminated.

By his vote the Soviet representative has told the Security Council that the Soviet Government insists on preventing an investigation of these charges through an impartial agency, and yet the Soviet Government has sponsored, has published, has disseminated these lies as a systematic part of its foreign policy and of its domestic policy of lying to its own people.

Before we leave the consideration of this subject, my delegation feels that the record should be entirely clear. The record should show the concerted dissemination by certain governments and authorities of grave accusations, as grave as they are unfounded, charging the use of germ warfare by U.N. Forces.

The record should show that when the charges were first made, when the accusations were first brought before the world, that the U.N. Command denied the charges and requested an impartial investigation, that the Chinese Communists and the North Korean authorities failed and refused to accept an offer of investigation by the International Committee of the Red Cross, that in the face of such a refusal these authorities—and this fact is not only admitted by the Soviet representative but boasted of by him—these authorities continued to circulate, to publicize, to disseminate these false charges.

The record should show that when the World Health Organization offered to assist in combating any epidemics in North Korea and China, any epidemics which might exist regardless of the source, and the Unified Command agreed to do its share and to cooperate fully, the Chinese Communists and the North Korean authorities rejected the offer of the World Health Organization and refused to permit its entry into territories under their control.

We should also note, and the record should show, that the Government of the Soviet Union in the United Nations has repeated these charges against U.N. Forces and that it is the Soviet negative vote on the U.S. draft resolution which is supported by all other members of the Security Council, that it is the Soviet negative vote that has prevented the Council from arranging an impartial investigation.

From these facts, which are all on our record, there is only one conclusion that can be drawn: That the charges of germ warfare against the U.N. Forces must be presumed to be utterly false.

The Security Council in our judgment should condemn the fabrication and the dissemination of these false charges which involve no less than an attempt to undermine the efforts of the United Nations to combat aggression in Korea and the support of the people of the world for these efforts, and which have the effect of increasing tension among nations.

#### Text of Draft Resolution \*

The Security Council,

NOTING the concerted dissemination by certain Governments and authorities of grave accusations charging the use of bacteriological warfare by United Nations Forces,

RECALLING that when the charges were first made the Unified Command for Korea immediately denied the charges and requested that an impartial investigation be made of them,

NOTING that the Chinese Communist and North Korean authorities failed to accept an offer by the International Committee of the Red Cross to carry out such an investigation but continued to give circulation to the charges,

NOTING that the World Health Organization offered to assist in combating any epidemics in North Korea and China, and that the Unified Command for Korea agreed to co-operate,

NOTING with regret that the Chinese Communist and North Korean authorities rejected the offer and refused to permit the entry of the World Health Organization teams into territories controlled by these authorities,

NOTING that the Government of the Union of Soviet Socialist Republics has, in the United Nations, repeated the charges that United Nations Forces were engaging in bacteriological warfare,

NOTING that the draft resolution submitted by the Government of the United States proposing an impartial investigation of these charges by the International Committee of the Red Cross was rejected by the Union of Soviet Socialist Republics, and that by reason of the negative vote of the Union of Soviet Socialist Republics the Security Council was prevented from arranging for such an impartial investigation,

CONCLUDES, from the refusal of those Governments and authorities making the charges to permit impartial investigation, that these charges must be presumed to be without substance and false.

CONDEMNS the practice of fabricating and disseminating such false charges, which increases tension among nations and which is designed to undermine the efforts of the United Nations to combat aggression in Korea and the support of the people of the world for these efforts.

\* U.N. doc. S/2688, dated July 3, 1952. On July 9 the Soviet Union, casting its 50th veto, defeated the resolution. The vote was 9-1-1 (Pakistan).

# The United States in the United Nations

[July 4–July 24, 1952]

## General Assembly

The seventh regular session of the General Assembly will be convened at United Nations Headquarters on October 14, 1952.

*Tunisia*—The United Nations Headquarters announced on July 21 that the request of the 13 Arab-Asian States for a special session of the General Assembly to take up the question of Tunisia failed of adoption. The favorable replies from member governments totaled 8 less than the required majority of 31 needed to hold the special session.

## Security Council

*Investigation of alleged bacteriological warfare charges*—The Council was compelled to reject, July 9, the United States draft resolution condemning “the practice of fabricating and disseminating” false charges of the use of germ warfare by the United Nations Unified Command in Korea because of the fiftieth veto exercised by the Soviet Union.

Ambassador Ernest A. Gross stated:

We thought it right to put the resolution to a vote for the reason that we consider, and I think that it is clear that the majority of the members of the Council consider that the campaign of hate and of lies which is being carried on by the Soviet Government, which is being sponsored by that government, disseminated by that government, and which that government continues to carry on with unabated vigor, that this campaign is directed against no less than the United Nations itself. . . . A campaign of lies and of hate has been exposed for what it is, but unless the Soviet government withdraws and abandons its campaign, we surely cannot forget our responsibilities as custodians and trustees of the Charter of the United Nations, and we will have to take, it seems to me, action that is requisite and appropriate to meet this challenge to the standards of decency and of civilization which we all of us had agreed to when we signed the Charter of the United Nations.

*Admission of New Members*—On the same date, the Council approved (8–1 (U.S.S.R.)–2 (Pakistan, Chile)) the Greek proposal to postpone further discussion of the question of the admission of new members to the United Nations until September 2, 1952.

## Economic and Social Council

During the past few weeks the Economic and Social Council, among other things, adopted the following resolutions:

1. It adopted three resolutions relating to full employment:

(a) A resolution submitted by Mexico and Uruguay (15–0–3 (Sov. bloc)) takes note of the replies received from governments to the Secretary-General's questionnaire on full employment and urges all governments in the future to submit adequate replies as promptly as possible in order that “the Secretary-General may prepare an analysis of such a nature as to facilitate the Council's consideration of the full employment problem.”

(b) Resolution submitted by Sweden (11–3 (Sov. bloc)–3 (Iran, Pakistan, Philippines)), which requests the Secretary-General to prepare a report on national and international measures designed to attain and maintain full employment while avoiding the harmful effects of inflation. During the discussion of this resolution Mr. Lubin (U.S.) pointed out that the Soviet Union's replies to the questionnaire on full employment indicated that that Government continued to conceal “meaningful data” from the United Nations and “information which has been refuted continues to be presented as incontrovertible fact. The kind of statistical deception practiced by the U.S.S.R. provides its spokesmen with good experience for distorting the truth about other nations as well as their own.”

(c) A joint resolution submitted by Belgium, Canada, Cuba, France, United Kingdom, and the United States, and amended by Cuba and Pakistan (13–3 (Sov. bloc)–2 (U.S., France)), invites the International Bank, in assessing the credit worthiness of a country, not to be unduly affected by the economic situation of the latter in time of temporary recession; invites governments to prepare programs for additional investments in the case of a recession; and urges the Monetary Fund to apply its rules flexibly and to keep under continuing review the adequacy of monetary reserves for the purpose of helping countries to meet temporary disequilibria in their balances of international

ayments. Joseph Coppock (U.S.) explained that his Government had abstained on this resolution mainly because of the deletion of what it considered the key operative part of the original resolution which referred to the negotiation of inter-governmental commodity agreements as a means of reducing instability in the world markets—a point upon which, Mr. Coppock said, the experts' report to the Council had laid primary emphasis.

2. The Council adopted (15-0-3 (Sov. bloc)) a joint 7-power resolution on increasing productivity in underdeveloped countries. It recommends that governments of underdeveloped countries consider the problems of raising productivity as an integral part of their efforts to promote their economic development; recommends regional studies of the problem; and recommends to governments the promotion of economic integration of international markets through the extension of foreign trade.

3. It adopted (15-0-3 (Sov. bloc)) a joint Argentina, Pakistan, Sweden, U.K. resolution on integrated economic development of underdeveloped countries which requests the Secretary-General to prepare a working paper regarding concrete proposals referred to in the General Assembly resolution 521 (VI) for the rapid industrialization of the underdeveloped countries.

4. The Council adopted a Canadian-United States resolution (14-4 (Argentina, Sov. bloc)-3 (Iran, Egypt, Mexico)) requesting the Secretary-General to again invite the Governments of Rumania, Spain, and the U.S.S.R. to reply to previous requests regarding allegations of infringements of trade-union rights in those countries, and to bring to the attention of the proper authorities the allegations regarding infringement of trade-union rights in Trieste and the Saar, and to invite submission of their observations on the matter.

5. The Council concluded a 2-day general discussion of the United Nations report on the world social situation and will take up in plenary the various draft resolutions introduced after discussion of the Social Committees reports. In commenting on the report, Walter Kotschnig (U.S.) gave a full factual and statistical picture of the social situation in the United States, including income distribution, living standards, housing, health, and education, and describing the extensive nongovernmental efforts which are part of the United States social system. He stated:

. . . The government and the people of the United States are deeply committed to the great effort of mutual aid in which we are here engaged. We shall continue to cooperate in this effort through the United Nations and the specialized agencies for a social advance beyond today's achievements. . . . We fervently hope that some day the bells of freedom will ring throughout every part of this world. For it is only in freedom that ever greater progress can be attained and secured.

6. The Council deferred until 1953 discussion of assistance to Libya, and postponed this session consideration of Korean relief and rehabilitation, by votes of 11-1 (Egypt)-6 (Iran, Pakistan, Philippines, Sov. bloc) and 13-0-4 (Egypt, Sov. bloc), respectively.

7. The Council approved unanimously the Secretary-General's report on the United Nations regular Technical Assistance Program, and adopted, by a vote of 13-0-5 (Sov. bloc, Mexico, Argentina), the report of the Technical Assistance Committee on the United Nations Expanded Technical Assistance Program, including the recommendation that member governments contribute a 25-million-dollar fund for 1953, and urging that members delinquent in meeting their obligations for the first and second financial periods to the expanded program make early payment into the special account.

Both Sir Gladwym Jebb (U.K.) and Isador Lubin (U.S.) expressed concern that 12 governments were still in arrears on their pledges for 1950 and 1951, and only 19 had made any payments this year. Mr. Lubin pointed out that unless these pledges were fulfilled, some current projects could not be completed and other requests could not be undertaken. He also emphasized the importance of implementing the reorganization plan for the Technical Assistance Board at the earliest moment, hoping that in the next 60 days tangible results would be seen.

8. The Council approved, 15-0-3 (Sov. bloc), a revised Cuba-Mexico-U.S. resolution on teaching about the United Nations and the specialized agencies. It requests the Secretary-General and UNESCO to cooperate in concentrating on teaching materials for use in primary-elementary, adult, and teacher education through reviewing and revising basic material and publications in the light of information newly available and the experience of neighbors, and in encouraging its widest possible dissemination.

The Council expects to complete its fourteenth session by August 1.

### Specialized Agencies

*International Labor Organization (ILO)*—At its Thirty-fifth Conference, held in Geneva from June 4 to June 28, the ILO approved three new conventions and three new recommendations. The conventions cover social security, maternity protection, and holidays with pay for workers in agriculture. One of the recommendations is designed to promote cooperation between employers and workers in the world's industrial establishments. The others supplemented the conventions on maternity protection and agricultural holidays.

## New Foreign Relations Volume Deals With Rise of Nazism

Press release 554 dated July 15

The processes by which a totalitarian regime extends and strengthens its control over the life of a country are illustrated in documentation on Nazi Germany presented in *Foreign Relations of the United States, 1935, volume II: The British Commonwealth; Europe*, released by the Department of State on July 19. This volume deals with bilateral relations of the United States with the countries of the areas covered as well as with domestic developments in Germany which were of significance in the rise of Nazi power threatening the maintenance of peace. The largest section is that dealing with Germany.

The Department was kept well informed of developments as the Hitler government was consolidating its political power, seeking to dominate the Evangelical and Roman Catholic Churches from which the most significant opposition to nazification came, making educational institutions serve its purposes and tightening restrictions on the Jews. Along with these disturbing domestic developments came the open rearming of Germany with repudiation of the disarmament provisions of the Treaty of Versailles.

The Secretary of State manifested increasing concern over the current situation and expressed a desire for an alleviation of the existing tension (page 311). The Department also solicited estimates of the situation from leading American diplomatic missions in Europe. The most prophetic analysis came from the Embassy in Moscow which asserted (page 326): "While Germany may not be deliberately planning a war of aggression German aims and aspirations are such that in the final analysis they can be satisfied only by war."

On September 23, 1935, Ambassador Dodd arranged for S. R. Fuller, Jr., to meet at the Embassy with Hjalmar Schacht, at that time Minister of Economics in Hitler's cabinet and president of the Reichsbank. Apparently this meeting was at the suggestion of President Roosevelt or at least with his approval. Fuller sounded out Schacht as to the future course of Germany. In reply Schacht was strong in his praise of Hitler as a great, conservative leader, told of the laws "protecting" the Jews, said he had told Felix Warburg of the American Jewish Committee "to have his people stop making a noise and accept this protection," declared colonies necessary to Germany and that they would be obtained by negotiation if possible but if not "we shall take them," asserted Germany must "create a German world of the mark," but favored currency stabilization and re-

newal of a commercial treaty with the United States (pages 282-286).

Unsatisfactory financial and trade relations as well as unsettled claims arising in World War I were subjects of negotiations between the United States and Germany in 1935, and on its part Germany complained of anti-Nazi activities in the United States.

Negotiations with other countries treated in this volume related largely to commercial relations, especially the promotion of Secretary of State Hull's trade-agreement program. Reciprocal trade agreements were signed with Canada, the Belgo-Luxemburg Union, the Netherlands, and Sweden. Preliminary discussions or negotiations regarding such agreements were carried on with the United Kingdom, Australia, Ireland, New Zealand, Austria, Czechoslovakia, Finland, France, Italy, Norway, Spain, and Switzerland. The United States discouraged suggestions from Newfoundland for such an agreement. Other trade negotiations were conducted with the Union of South Africa, Denmark, Estonia, Germany, Latvia, Lithuania, Poland, Portugal, and Rumania. Papers on miscellaneous minor subjects complete the volume.

Volumes I, III, and IV, which will complete the series for 1935, will be published at a later date. Papers on relations with the Soviet Union are not included in volume II, as such documentation has already been published in *Foreign Relations of the United States, the Soviet Union, 1933-1939*, which was released on May 24, 1952.<sup>1</sup> International conferences and other multilateral subjects for 1935 which relate to Europe will be treated in volume I.

*Foreign Relations of the United States, 1935, volume II*, was compiled in the Division of Historical Policy Research of the Department of State chiefly by N. O. Sappington and Miss Matilda F. Axton under the direction of E. R. Perkins, editor of *Foreign Relations*. The preparation of the index, the list of papers, and the editing and proof-reading of copy were done in the Foreign Relations Editing Branch of the Division of Publications under the direction of Miss Elizabeth A. Vary. Copies of this volume (lxxi, 816 pp.) may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for \$3 each.

### Recent Releases

*For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.*

**Mexican Agricultural Workers.** Treaties and Other International Acts Series 2260. Pub. 4284. 107 pp. 30¢.

Agreement between the United States and Mexico—Signed at México August 1, 1949; entered into force August 1, 1949.

<sup>1</sup> For an article on the documents in this volume, see BULLETIN of May 19, 1952, p. 767, and May 26, 1952, p. 822.



South Pacific Commission. Treaties and Other International Acts Series 2317. Pub. 4461. 53 pp. 20¢.

Agreement between the United States and Other Governments—Opened for signature at Canberra February 6, 1947; entered into force July 29, 1948.

Inter-American Highway. Treaties and Other International Acts Series 2321. Pub. 4413. 7 pp. 5¢.

Agreement between the United States and Panama amending agreement of May 15 and June 7, 1948—Signed at Washington January 16 and 26, 1951; entered into force January 26, 1951.

Mexican Agricultural Workers. Treaties and Other International Acts Series 2331. Pub. 4435. 57 pp. 20¢.

Agreement between the United States and Mexico replacing agreement of August 1, 1949—Signed at México August 11, 1951; entered into force August 11, 1951.

Education, Cooperative Program in Honduras. Treaties and Other International Acts Series 2340. Pub. 4453. 4 pp. 5¢.

Agreement between the United States and Honduras—Supplementing Agreement of April 24, 1951—Signed at Tegucigalpa August 7 and September 8, 1951; entered into force September 8, 1951.

Technical Cooperation, Economic Development Mission to El Salvador. Treaties and Other International Acts Series 2341. Pub. 4454. 8 pp. 5¢.

Agreement between the United States and El Salvador—Signed at San Salvador October 23, 1951; entered into force October 23, 1951.

Economic Cooperation With Luxembourg. Treaties and Other International Acts Series 2342. Pub. 4455. 3 pp. 5¢.

Agreement between the United States and Luxembourg amending agreement of July 3, 1948, as amended—Signed at Luxembourg August 30 and October 17, 1951; entered into force October 17, 1951.

Economic Cooperation. Treaties and Other International Acts Series 2343. Pub. 4459. 25 pp. 10¢.

Agreement and notes between the United States and Cambodia—Signed at Phnom Penh September 8, 1951; entered into force September 17, 1951.

Mutual Defense Assistance. Treaties and Other International Acts Series 2349. Pub. 4465. 8 pp. 5¢.

Agreement between the United States and Yugoslavia—Signed at Belgrade November 14, 1951; entered into force November 14, 1951.

Education, Cooperative Program in Peru. Treaties and Other International Acts Series 2350. Pub. 4468. 4 pp. 5¢.

Agreement between the United States and Peru supplementing agreement of September 25 and 29, 1950—Signed at Lima August 8 and September 6, 1951; entered into force September 19, 1951.

Economic Cooperation With France Under Public Law 472, 80th Congress, as Amended. Treaties and Other International Acts Series 2359. Pub. 4476. 2 pp. 5¢.

Agreement between the United States and France amending agreement of June 28, 1948, as amended—Signed at Paris September 25 and 27, 1951; entered into force September 27, 1951.

## Commission Reports on Shift in Overseas Information Policy

Press release 531 dated July 3

The shift in the policies of America's overseas information was the focus of attention in the Sixth Semiannual Report to the Congress by the U.S. Advisory Commission on Information.<sup>1</sup>

In the last 2 years this country's information program has changed its over-all objectives from presenting a "full and fair picture" of the United States to what now is called the propaganda offensive—a counterattack on the Soviet's far-flung propaganda apparatus. The Advisory Commission, in giving its approval to this shift in policy, discusses in detail 13 policies which form the keys to the effective and efficient operation of the International Information Administration.

Another section of the report covers the recent reorganization of the Department of State's overseas information program. The Advisory Commission reviews the major changes in this reorganization, reiterates its earlier viewpoint which favors keeping the International Information Administration in the Department of State, and endorses the Senate's action on the Benton-Wiley resolution for an investigation of this program. The Commission states that it favors the present semiautonomous position of the International Information Administration within the Department of State, but the members further state that they will withhold their final view on the reorganization until all of the proposed changes have become a reality.

In addition to the operational policies of the propaganda offensive and the reorganization of the information program, the Commission's report contains brief sections on the International Information Administration's facilities, evaluation program, public acceptance, and future.

The U.S. Advisory Commission on Information was established by Public Law 402, 80th Congress, to review the information program and make recommendations concerning it. The members signing this report are Mark A. May, chairman, director of the Institute of Human Relations at Yale University; Erwin D. Canham, editor of the *Christian Science Monitor*; Philip D. Reed, chairman of the Board of the General Electric Company; and Ben Hibbs, editor of the *Saturday Evening Post*. The fifth member of the Commission, Justin Miller (chairman of the Board of the National Association of Radio and Television Broadcasters), did not sign the report. He is on leave of absence from the Commission since his appointment as chairman of the Salary Stabilization Board on November 8, 1951.

<sup>1</sup> H. doc. 526

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†567	7/18	German educational agreement
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## Creating Situations of Strength

by Charles E. Bohlen

Counselor of the Department of State<sup>1</sup>

Exactly what do we mean when we say "situations of strength"? How and why was the concept developed? How has U.S. foreign policy operated to create situations of strength on behalf of the free world?

These are vital questions. They demand pointed answers. But they can be adequately answered only if we understand the qualities of U.S. foreign policy which have made it possible to think in terms of global strategy. So I should like to begin by briefly examining some of these qualities.

The first point I would make here is that our foreign policy must be one of enlightened self-interest. A nation that does not constantly look to its self-security toys with its very existence. That, I think, is perfectly obvious.

But there are different roads to security even as there are different concepts as to what security involves. Security has been used as a disguise for conquest and imperialism.

Our concept of self-security is quite different. Our concept is firmly rooted in the belief that we can best preserve our way of life in a world of peace and decency. It is dedicated to the conviction that our best hope for such peace and decency lies in the full-time cooperation of sovereign nations, all of them seeking the common progress of humanity. It is based upon the understanding that the free nations—the United States among them—cannot be unconcerned so long as poverty, disease, and illiteracy remain the constant companions of two-thirds of the human race.

This concern is not only humanitarianism, although this element must be present in the foreign policy of a democracy. But that does not mean that it is a policy of simple charity. Emphatically not! We are willing to help others to help themselves because, in doing so, we are helping ourselves.

And that brings me to a second quality of U.S. foreign policy. It is a cooperative policy. It accepts the principle that we cannot stand alone in this kind of world—that we dare not stand alone.

The days when the Atlantic and Pacific served us as protective moats—as "insulation" to use the phrase of the late Senator Vandenberg—are behind us. Great oceans have become mere puddles. The miracle of modern technology has given us immediate neighbors in London, Paris, Canberra, and Bangkok. Horse and buggy isolationism is outmoded in an atomic age. What happens anywhere in the world is of concern everywhere.

When you couple this smaller, more closely knit, technologically advanced world with the rise of a new great power, the Soviet Union, you can easily see why we Americans cannot stand alone. The emergence of the Soviet Union as a great power at the close of World War II was bound to have a global impact. Soviet policies and actions since the close of the war have made that impact a dangerous one.

There is no need to belabor the Soviet menace before this audience. You know the Soviet post-war record. You understand the nature of the threat posed for all free men. And you understand—I am sure—that the United States must work closely with other free nations if freedom and peace are to weather the onslaughts of this new imperialism.

### Realistic Policy Needed

A third and necessary element of U.S. foreign policy is realism. Our foreign policy must reflect the ideals and principles so deeply rooted in our tradition. It must concern itself with things as they really are—not only with things as we would like them to be. It seeks to meet specific situations as they arise as well as to anticipate such situations.

It would be wonderful if this were indeed the best of all possible worlds. It would be fine if we could immediately realize our fondest ideals.

But this is not that kind of world. There are

<sup>1</sup>Address made at the Colgate University Conference on American Foreign Policy, Hamilton, N. Y., on July 26 and released to the press (No. 586) on the same date.

many influences and many ambitions at work on the international scene. And these influences and ambitions are not readily subject to control by a push button in Washington.

Foreign policy cannot be made in a vacuum. Foreign-policy objectives cannot be accomplished in keeping with a strict timetable. There are just too many intangibles.

There are those who would apply the rigid rules of abstract physical science to international politics. It would be very helpful if it were possible to reduce foreign policy to an exact science. But it is not possible to do so.

A sound foreign policy must deal in possibilities and probabilities as well as in certainties. Only then can it be realistic. Only then can it operate with reasonable flexibility.

A fourth quality of U.S. foreign policy which I should like to mention is its genuine democracy. It is not made in an ivory tower.

U.S. foreign policy is fully representative of domestic public opinion. It is an expression of our way of life.

Secretary of State Dean Acheson made that clear in a Nation-wide address back in 1949. He said:

In the long run, and very often in the short run, it is you citizens of this Republic, acting directly through public opinion and through the Congress, who decide the contours of our policies and whether those policies shall go forward or waver and stop.

Current events clearly support Mr. Acheson's statement. The 1952 political conventions at Chicago are cases in point. Foreign policy has been a fundamental issue before both conventions. Foreign policy is a basic plank in both platforms.

Are not political parties the vehicles through which the people grant governmental power to those of their choice? Of course they are.

In the last analysis, the makers of foreign policy in any democracy must—as a matter of right and necessity—be responsive to the voice of the people.

These, then, are some of the basic qualities which should be in U.S. foreign policy. Enlightened self-interest, realism, democratic inspiration, and the cooperative spirit—these are the qualities necessary to bring into being the "situations of strength" concept we are here to discuss.

These are the qualities which have made it possible for the United States to assume its responsibilities of free-world leadership in meeting the No. 1 problem posed by World War II. What was that No. 1 problem?

It was a problem of power relationships made acute by the approach taken by Soviet Russia.

#### **Using Power to Curb Power**

There is an old Chinese proverb which says: "Use power to curb power."

In a sense, that is what the free nations have had to do in the postwar period.

Now, I do not mean to imply by this that power is an end in itself or that we have gone power-mad. Power, insofar as free men are concerned, is a means to an end. It is a means through which the United States is seeking to preserve its security and to work with others in building a world of peace and progress. It is a means through which the free nations can work together to deter totalitarian aggression.

This, I might say, is a highly significant point. In international politics, power does not necessarily have to be used to be effective. The very fact that it exists is often enough to get results.

Now, I have said that the No. 1 problem of the postwar period—from our point of view—was one of power relationships. And I have already noted that the rise of a new and special form of state power—Soviet Russia—was of crucial importance.

The fact is that the power situation in the postwar world is very different from anything we have had at any other time since the rise of the modern nation-state system. For the first time in modern history, we have a world in which there are only two major centers of power. Power—to use the technical phrase—is bipolarized.

On the one hand, we have the Soviet Union and its satellites. On the other, we have what amounts to a coalition of free nations with the United States playing a leading role.

This role is not one we have sought. It has been thrust upon us by the very nature of our position in world affairs. It has been thrust upon us and we have been obligated to accept it.

When I say that the United States is central to the free-world coalition, I say it with humility and understanding of the grave responsibilities imposed upon us. I say it in the urgent hope that we shall not fail to help preserve in the world that freedom and liberty to which our entire foreign policy is dedicated. I say it with the conviction that our own well-being is dependent upon our free-world partners even as theirs is dependent upon us.

This is true—to a great extent—because existing power relationships leave a good deal less room for maneuver in foreign affairs than was once the case. Balance of power politics no longer means what it meant before the first global war was fought. The day of the buffer state and the zone of influence is rapidly passing. Any major strategic move in today's world is of immediate concern to all nations and all peoples.

At the turn of the century, there were half a dozen or more nations who could lay claim to being powers of the first rank. If one of these nations became unduly threatening, or aggressive, there were always several other nations who—by uniting with the weaker of the two—could offset the power of the stronger. This was the classical conception of balance-of-power politics in operation.

At the turn of the century, it was possible for a war to be fought in the Balkans, the Near East, or

the Far East without involving or even directly affecting the major powers.

But today's world is different. There is a Cold War on between freedom and calculated tyranny. And that war is global in scope. There is friction at virtually every point where the free and slave worlds meet.

The fight against aggression in Korea is all too tangible proof of this. Every major power has had a hand in the Korean situation in one way or another.

Korea, I might add, will appear in the history books of the future as one of the most significant events of this or any other era. For here, genuine collective security operated to halt a deliberate, naked aggression for the first time in modern history. The United Nations has truly won its spurs in Korea. It has upheld, in full, the principles upon which it was founded.

Think of what the United Nations has accomplished in Korea. It has driven the Communists back along most of the battle line beyond the point from which they started their unprovoked, brutal assault in June of 1950. It has preserved the independence of the Republic of South Korea. It has served notice on all potential aggressors that aggression cannot be launched anywhere with impunity.

Had the United Nations allowed the Communists to get away with their aggression, the existing power situation would have developed to the extreme disadvantage of the free world. To have allowed Korea to go by default would have been a tremendous blow to the free peoples of Asia. It would have encouraged the Kremlin and its cohorts to move against the periphery of the free world again at their convenience. It would have strengthened the possibilities of an all-out global war and weakened considerably the containment policy which is so basic to U.S. foreign policy and the defense of the free world as a whole.

### **Emergence of the Containment Policy**

I should like now to talk a little about the containment policy and about the creation of situations of strength which that policy demands.

The first thing that we must bear in mind in this connection is that the conditions which gave rise to the idea of containment did not spring up overnight. They were in the process of development for many months.

World War II did see the Soviet Union emerge as a great power. But it was not until the free nations had exhausted every possibility at the conference table and the Soviets had clearly indicated by their actions their unwillingness to cooperate that the containment policy emerged.

In short, the containment policy was a reaction to Soviet actions. It was a reaction to an aggressive imperialism which became more and more evident in the months immediately following the

war. It was a reaction to Soviet moves which represented an utter departure from pledges taken at the conference table.

The Soviet Union refused to honor its agreement to sponsor free elections in Eastern Europe. The Soviets shook their fist at Turkey and at Iran. They encouraged Communist subversion of the legitimate Greek Government. They allowed huge stocks of Japanese military equipment to fall into the hands of the Chinese Communists in Manchuria and thus—in effect—went back on the promise they had made at Yalta to throw their full support to the Chinese Nationalist Government.

Speaking of Yalta, the charge has been made that our failure to “get tough” at the conference table allowed Moscow to help itself to Eastern Europe, China, and North Korea. I want to state categorically that this charge is absolutely without foundation.

The fact is that the Soviets received nothing by negotiation that they did not already or were not about to control by the presence of the Red army. Soviet territorial gains have not been made by words exchanged at the conference table.

The containment policy—being a realistic policy—has thus had to concern itself more with Soviet actions than with Soviet words. In fact, it was a specific concrete action which can be said to have brought the containment policy into operation.

The scene was Iran. In early 1946, Soviet troops were still stationed in northern Iran. Further, they were interfering with the Iranian Government's attempts to govern in Azerbaijan, a key province in northern Iran. The Soviets refused to withdraw their troops from Iran despite a clear treaty obligation to do so.

The situation was brought to the attention of the United Nations. It was thoroughly aired in open debate. The peoples of the world were given a chance to learn—in great detail—what was going on in Iran. The result: Pressures exerted by an aroused world opinion—an opinion educated by U.N. debate—forced the Soviets to withdraw their troops.

The United Nations had proved itself an effective forum for the settlement of a dispute which was threatening the peace. The containment process operated for the first time because the free nations—working through the United Nations—contained an obvious Soviet effort to extend its influence into neighboring Iran.

You will note that I have referred to the “containment process.” The Truman Doctrine of March 1947 was the first application of the containment policy in its more definitive form. The President's decision to aid the Greeks and the Turks, and congressional support of that decision, brought the containment policy to fruition as a total plan of action.

We helped the legitimate Greek Government to

defeat the Communist-led revolt and thus created a situation of strength in Greece. Today, a stable Greece is a full-fledged partner in the North Atlantic Treaty Organization.

In helping the Turks to modernize and equip their army, we helped to support a strong determination to withstand Soviet demands for control of the vital Dardanelles. We helped to create a situation of strength which has been vitally important in keeping Soviet imperialism from driving to the Persian Gulf and the Mediterranean.

Now it has been said that the containment policy is a purely negative affair. Words such as "negative" and "positive" are very misleading unless we understand clearly what we mean.

Containment is negative only in the sense that it does not envisage the use of armed force in aggressive action. It is no more negative than the doctrine of individual and collective defense is negative. It has meant and it means that the free nations of the world will do all in their power—including armed resistance—in the event of aggression, to prevent the free areas of the world from falling under Communist tyranny. In every other sense our present policy, of which containment is only one element, is positive.

The programs of mutual assistance among the nations of the free world are anything but negative. They are not only designed to contain and deter the aggressor; they are designed to maintain and strengthen the stability of free nations everywhere. They are designed to give us a strong boost on the road toward universal peace and humanitarian cooperation. They are designed to supplement, in full, the work of the United Nations.

Let us look briefly at some of these programs. Take the Marshall Plan, for example. The end of World War II saw the nations of Western Europe in economic chaos. Poverty was rampant. Destruction in most countries was terrible to behold. Countries which have served as battlefields look like battlefields long after the cannon have stopped roaring. Morale was at a dangerous low. Communist parties were at the height of their power. The possibility that Soviet power might move into much of Western Europe without firing a shot was a grim one.

### **Objectives of the Marshall Plan**

In the face of this situation, Secretary of State George C. Marshall arose to make a public address which was to initiate the great plan which bears his name. In that address, he said:

Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos.

The Marshall Plan was designed to help the Europeans help themselves get back on their economic feet. It was designed to help them develop internal stability. It was designed to help them preserve their freedom and their liberties through

an economic rebirth capable of coping with subversion from within and expansionism from without.

Self-help and mutual cooperation—these were the terms upon which the United States offered the Western Europeans the means of helping themselves. And the nations and peoples of Western Europe accomplished a near miracle in the process.

The situation in Western Europe today speaks for itself. And to the extent that stability has been restored and communism forced into retreat—to that extent have we Americans helped to build a bastion of strength on behalf of our own security and free men everywhere.

Let us look at another of our positive programs: The Point Four Program.

Here is a program which first saw the light of day some 3 years after the containment policy became effective. But it is a logical outgrowth of the latter.

Point Four is a happy combination of genuine idealism and a means of strengthening the free world as a whole. Its purpose is to help the free peoples of the world, through their own efforts, to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens.

In helping underdeveloped areas to help themselves, we are working for a better standard of living among the less fortunate peoples. We are helping to eliminate the discontent of the poverty-stricken. We are helping to build their fortitude and strengthen their desire to withstand the impact of communism.

Are we not—through Point Four—building situations of strength? Of course, we are.

Consider, if you will, the various regional defense pacts to which we are party. All of these have been developed in conformity with the U.N. Charter. They are designed to strengthen the security of the nations immediately involved. But they are also designed to help the United Nations move more efficiently to meet a breach of the peace should it occur in an area covered by a regional agreement.

The North Atlantic Treaty Organization (NATO) is the most far-reaching of these regional agreements. But our mutual defense arrangements in the Pacific and with our Latin American neighbors are certainly of equal importance to our security and the peace of the world.

Through NATO, the free nations have erected an expanding defense force—a deterrent power designed to preserve the security of Western Europe and that of the entire North Atlantic area. Equally impressive is the fact that we have managed to work out the organization and the techniques for making this defensive mechanism operate effectively.

This, I might say, was no simple task. Extreme nationalism has always been a difficult problem



for those who would build unity. The distrust of ages is not easily dispelled in months or even years.

NATO—like the Schuman Plan, the Marshall Plan, and the European Payments Union—is a tribute to the masterful statesmanship of the Western Europeans themselves. They have overcome much of the pride and prejudice of centuries in their common interest. In doing so, they have added much to our own well-being and to the cause of peace as a whole.

Western Europe—for all the problems that continue to plague it today—is indeed a bulwark of strength for the United States as well as for the entire free world.

I have tried to give you a brief account of a few of the positive measures designed to create situations of strength in which the United States has had a crucial hand. I have sought to present an honest, realistic picture of how these measures are related to our drive for genuine security and our urge for a decent peace.

These measures certainly do not represent perfection in any sense of the word. They have not

solved the great power dilemma of our time. They have not made one world out of two.

But I believe that they are real milestones of accomplishment. They have set us well on the road we are seeking to travel. There are important lessons to be learned through what these programs have accomplished if we are but willing to learn.

The free peoples are demonstrating that power—material power—is on their side.

If we can but preserve our unity of spirit as well as our unity of action, we shall certainly better our chance of developing the sort of world climate in which all men can breathe freely.

This may not happen for years. It may not happen for generations. But it is the challenge of our time.

An eighteenth century philosopher once said:

Power is not happiness. Security and peace are more to be desired than a name at which nations tremble.

If we but heed that advice and use our power wisely and with moderation, I believe that we will achieve the genuine security and peace we seek.

## Questions Involving Prisoners of War in Korea

### U.S. URGES COMPLIANCE WITH CONVENTION ON PRISONERS OF WAR

Press release 582 dated July 24

*The Department of State on July 23 requested the Soviet Government to use its good offices in an effort to obtain compliance by the North Korean and Chinese Communist regimes with the terms of the 1949 Geneva Convention relating to prisoners of war.*

*At the same time, the Department requested the International Committee of the Red Cross again to approach the North Korean and Chinese Communist authorities in an effort to bring about an agreement under which this convention can be applied by these regimes as it has been consistently applied by the U.N. Command since the beginning of Korean hostilities.*

*The action was taken as a result of the announced intention of the Chinese Communist regime to adhere, with reservations, to this and certain other Geneva conventions. This Chinese Communist decision was conveyed to the Swiss Government by the Minister of Communist China in Bern on July 16, 1952. The North Korean*

*regime declared on July 13, 1950, that it would abide by the convention relating to prisoners of war but has never done so.*

*The Department of State's request to the Soviet Government was contained in the following note which was delivered to the Soviet Foreign Office on July 23 by Ambassador George Kennan:*

Early in the course of the Korean hostilities, on July 13, 1950, the North Korean authorities issued a declaration stating that they would strictly abide by the principles of the Geneva Convention in respect to prisoners of war. On July 16, 1952, the Chinese Communist authorities issued a declaration of intention to adhere, with certain reservations, to the Geneva Convention of August 12, 1949, for the protection of prisoners of war.

Up to the present time, the Chinese Communist and North Korean authorities have failed to observe the provisions of the Geneva Convention. More specifically, the following provisions which are of particular importance to the welfare of the personnel of the United Nations Command who are prisoners in North Korean and Chinese Communist hands have not been observed: inspection

of prisoner of war camps by an impartial international body has not been permitted (Article 126); relief parcels have not been delivered (Article 72); and prisoner of war camps have been placed in areas in proximity to military objectives, exposing the prisoners to danger of attack (Article 23).

The United Nations Command has consistently abided by the provisions of the Geneva Convention and has in good faith carried out the responsibilities laid upon belligerents by this convention.

It is, therefore, requested that in the interest of the accomplishment of the humanitarian objectives of the Geneva Convention, the Government of the Union of Soviet Socialist Republics use its good offices with the North Korean and Chinese Communist authorities, for the purpose of requesting them to observe the provisions of the Geneva Convention.

*The following is the text of the Department's message delivered by the U.S. Consul General at Geneva on July 23 to the International Committee of the Red Cross:*

In view of the announced intention of the Chinese Communist authorities to adhere with certain reservations to the Geneva Convention of 1949 for the protection of Prisoners of War, and in view of the statements of July 13, 1950, by the North Korean authorities that they would strictly abide by the provisions of the Convention in respect to prisoners of war, it is requested that the International Committee of the Red Cross again approach these authorities with a view to bringing about agreements under which this convention can be applied by the North Korean and Chinese Communist authorities as it has consistently been applied by the United Nations Command.

The Government of the United States has requested the Government of the Union of Soviet Socialist Republics to intercede with the Chinese Communist and North Korean authorities to bring about conditions under which this convention can be applied.

### **CHINESE COMMUNIST ASSERTION ON GENEVA CONVENTIONS**

Press release 557 dated July 16

*Asked whether he regarded the Red Chinese assertion that they were now prepared to adhere to the Geneva Conventions on Bacteriological Warfare and the Treatment of Prisoners of War as a forward step, Secretary Acheson made the following extemporaneous reply at his press conference on July 16:*

Well, I would hope that it might be a forward step. All I can do is hope very feebly about it because they said in the early stages of the war

that they were going to abide by the same treaty which they now say they are going to adhere to. But they have not done it. They have not done any of the things which are called for in that treaty: The periodic publication of lists, the inspection by an international agency, the appointment of a protecting power, the notification of prisoners who are sick or wounded, the marking of prisoner of war camps.

You could go through the list of requirements of the treaty and you will find that none of them have been adhered to in practice, although they said at the outset that they were going to do so.

Now whether this means any more than what they have done in the past, I don't know.

### **SHIFT OF SOVIET POLICY ON PRISONER REPATRIATION**

*On June 21, Maj. Gen. William K. Harrison, Jr., chief U.N. truce negotiator at Panmunjon, made a statement before assembled truce negotiators which documented the fact that the Soviet Union on two occasions during World War II had endorsed voluntary repatriation of war prisoners. Since the issue of prisoner repatriation has been the chief obstacle to a truce in Korea, the statement is considered of prime importance as substantiation of the position consistently taken by U.N. truce negotiators.*

*Following is the text of General Harrison's statement:*<sup>1</sup>

Your side has violently opposed the humanitarian principle of no forced repatriation, the principle which underlies the firm position of the United Nations Command with respect to the exchange of prisoners of war. You have even expressed, more than once, your contempt for any nation which would support the principle of no forced repatriation. It may therefore come as a surprise to you if I inform you that this principle has been utilized by the Union of Soviet Socialist Republics, a nation for whom your governments have upon occasion expressed great admiration. Let me quote you some facts. On January 8, 1943, the Soviet Army Command addressed an ultimatum to the commander of the German troops surrounded near Stalingrad. To all those German officers and soldiers who would cease resistance this ultimatum guaranteed life and security, and, after the end of the war, their return to Germany or to any country the prisoners should desire to go.

This is not the only time that the Union of Soviet Socialist Republics indicated its implicit approval of the principle of freedom of choice for prisoners of war with regard to repatriation at the

<sup>1</sup>The documentary evidence on which the statement is based was made available to the Department of State by the Free Trade Union Committee of the American Federation of Labor.

end of hostilities. Upon another occasion the Soviet Government addressed an ultimatum to surrendering enemy troops in the Budapest area. This ultimatum guaranteed, among other things, (1) To the surrendering German military personnel—the return to Germany or to any other country after the end of the war; and (2) To the surrendering Hungarian military personnel—release to their homes after registration and questioning.

It might be of further interest to you to learn that in an official publication issued in 1951 by the Institute of Law of the Union of Socialist Soviet Republics' Academy of Sciences, the Soviet ultimatum addressed to the surrendering enemy troops in the Budapest area was described as an act expressing the highest act of humanitarianism.

Yet your side stubbornly opposes the principle of voluntary repatriation as incompatible with humanitarian objectives or with international rules or customs of warfare. You have cast aside

all pretense of humanity by demanding that the United Nations Command return to your side all the prisoners of war in its custody, driving them if necessary at the point of a bayonet. You even have the impertinence to document your position by referring to the Geneva Convention. What could be more ludicrous than your attempt to found your inhuman proposition upon an international agreement whose very purpose is to defend and protect the unfortunate victims of war?

The United Nations Command firmly adheres to the principles of humanity and the preservation of the rights of the individual. We will never barter the ideals which motivated us to oppose you on the field of battle. If you harbor the slightest desire for peace, you must demonstrate this sincerity by good faith which will determine the success of these negotiations. The United Nations Command wants peace. The question remains, do you?

## The Economic Basis of Our Foreign Policy

*by Willard L. Thorp*

*Assistant Secretary for Economic Affairs<sup>1</sup>*

You and I are continually being restricted unhappily by the limitations of our personal economic resources. We can never do or have all the things we want, and we are always being forced to make choices as to how to use such resources as we do have. Somehow we, with the aid or interference of other members of our families, must reach a decision as to what to have and what to do without, among such irresistible attractions as a trip to New York, a season's ticket to the symphony, an enlarged wardrobe, a new television set, or a larger contribution to the Community Chest. How far we can go in reaching our objectives, be they culture, or pleasure, or philanthropy, or old-age security is determined in large part by our economic resources and capabilities.

Metaphors are likely to be dangerous and must never be carried too far. Nevertheless, in this

case it can be said that nations are faced with the same problems as individuals. They too can never have or do all the things they want and are continually being forced to make choices as to how to use their limited resources. How much support should be given to housing or education or national defense or economic development or aid to veterans or public health—these are the sort of choices which nations must make. Like the case of the individual, the problem is not merely how best to use existing resources, but also how to find ways to increase them if possible. These two are interrelated. As income increases, the distribution of that income may change—percentage-wise more may go for education, for example, although no other activity is cut in actual amount.

When you and I come to make our choices, it is seldom that we do so without reference to other individuals. In today's world, the decisions made by nations likewise must take foreign policy relationships into account. We only need to think of the extent to which American resources since

<sup>1</sup> Address made before the Fourth Annual Conference on American Foreign Policy at Colgate University, Hamilton, N. Y., on July 28 and released to the press (No. 580) on the same date.

1914 have been utilized in support of our foreign policy to see its importance in our national allocation of resources.

Our international objectives are not all economic, by any means. In fact, our greatest expenditures since 1914 have been in fighting the thrust of aggression. Although our objectives may be stated in such terms as increased capability for defense, political stability, and international good will, the pursuit of these noneconomic ends usually leads fairly directly to the economic field, and depends in large part on the utilization and expansion of economic capacity by ourselves and by the various nations, on economic health and economic growth. We cannot escape from the basic fact that, when we as a Nation consider the uses to which our own resources shall be put, the support of our foreign policy becomes one of the essential claimants.

### **Necessity for European Recovery**

Let us put this proposition in more specific terms. After the war it was apparent that that great economic workshop—Europe—was in bad shape. Four years ago we agreed with 18 European countries to give them assistance so that they might increase production, bring stability to their internal financial situations, expand their trade, and develop their foreign-earning capacity so that they could pay for their foreign requirements. We provided them with assistance under the Economic Recovery Program and their progress was extraordinary.

I think that there can be little doubt but that the recovery program would have achieved its purpose in the 4-year period had not new storm clouds darkened the sky. The failure of the Soviet Union to disarm after the war and the great emphasis placed on building further military strength, the seizure of Czechoslovakia, the addition of the atomic bomb to the Soviet arsenal, and finally the unconscionable attack on South Korea made it clear that the Politburo constituted an imminent danger to the free world. The North Atlantic Treaty, originating as a political instrument, is now the basis for an international organization aimed at strengthening the defenses of all of us.

For the recovering economies of Europe the burden of rearmament could not be easily undertaken, and once again we agreed to assist them in the new undertaking of defense. Today by far the largest part of our foreign aid is in the form of completed military equipment for the increasing number of their divisions. Yet our contribution covers only a fraction of the cost of defense, the remainder of which our allies must raise out of their own resources. Not only has the strain on their governmental budgets increased greatly, but the rise in raw material prices and the diversion of productive capacity from export

to armament have undercut their strenuous efforts to earn their own way. The sterling area suffered a tremendous loss in reserves, and its members as well as many other countries have had to cut back their foreign purchases drastically. Nations like individuals cannot long carry on beyond their resources. The North Atlantic Treaty Organization (NATO) has had to try to match up defense requirements and economic capabilities in such a way as to share the burden among the cooperating countries as equitably as possible. American aid has been an important element in making the NATO defense plan possible.

Since the end of the war the United States has continually given substantial assistance to other countries in one form or another in support of the objectives of our foreign policy. However, this is not a sound basis on which foreign relationships should be maintained indefinitely. There are times when individuals must be given aid, but it is standard social and psychological practice that the assistance should be directed toward making the individual independent once more. Similarly, the development of economic independence for all countries must be our international goal.

Looking ahead, it is evident that in strictly economic terms, there are only two solutions to this problem if defense assistance and economic aid to meet balance-of-payments difficulties are ultimately to disappear. The first is for us to reduce our exports or, to say it the other way around, for them to reduce their imports. This would have a direct impact upon our own economy, of course. Last year, we sent abroad one-half of our wheat, one-third of our cotton, one-fourth of our tobacco, and large quantities of other items ranging all the way from motion pictures to machine tools and medicines. In turn, failure to obtain these goods would greatly constrain the economies of other countries. This is the course of contraction. It is a possible course in economic terms, but it would not only reduce economic activity at home and abroad, it would be destructive of many other objectives in our foreign policy.

### **Further Tariff Reductions Needed**

The other alternative is the only one which can be regarded as forward-looking and constructive, namely, for us to encourage other countries to send more goods to us so that they can then pay their own way. They are already under serious handicaps in trying to sell in this country, perhaps the greatest of which is the efficiency and competitive strength of our own producers. In addition, there are transportation costs and tariffs to pay. Our complicated import regulations themselves are a barrier. And successful distribution in the United States is a matter of specialized skill. Frequently, foreign enterprises cannot produce in quantities

necessary to break into a market of the size of ours. Nevertheless, this has been their effort and real progress has been made. When measured in quantity terms, imports are more than 40 percent above the prewar level, though much of this increase is in noncompetitive items.

In this area, I believe that our over-all foreign policy, directed at economic health and economic independence of the nations of the free world, requires certain supporting and specific economic policies. We must lower the barriers to our market. This means further tariff reductions. It means customs simplification. It means admitting a greater degree of foreign competition. When compared with our total national product, the amount involved is small. If we spent 2 percent more of our national income for foreign goods and services, it would mean not only an increase in our exports but much greater assurance of our receiving payment on our foreign investments. This is the path of expansion, and expansion rather than contraction has always been the American way.

I have been talking primarily about bringing our international affairs into balance and some of the choices which we must make in that field. Now I want to talk really about expansion. In many parts of the world this is the No. 1 economic necessity. In South America, in Asia, in Africa, peoples in many countries are demanding an escape from their abject poverty. In some cases they have thought that their plight was the result of foreign oppression and have demanded and achieved political independence. But the problem is still there, and the new and inexperienced governments are trying desperately to achieve rapid economic and social development. It is hard for many of us to visualize whole countries where starvation, disease, and illiteracy are ever present. These countries are breaking out of the traditional social and economic structures by which they have been bound for centuries. The future pattern is yet to be determined. One thing is certain, that there will be great changes.

#### **Assistance to Underdeveloped Areas**

Our foreign policy cannot disregard this situation. It has great political significance, for these countries exceed the industrialized nations in number, population, area, and natural resources. It has great economic significance, for they can provide markets for American goods and are essential sources for raw materials, about which the Paley Commission has so recently reported so great a future need.<sup>2</sup> A positive foreign policy toward economic development has roots in our own past. The development of our own country was greatly facilitated by foreign capital and skills, and we, in turn, have been helping other countries for

many decades through many private philanthropic and religious organizations.

Our foreign policy therefore directs us to join in the great effort to accelerate the processes of economic development. To be sure, we can play only a supporting role. The countries themselves must be the chief actors. But we can furnish technical assistance, and we can help them to meet some of their requirements for capital. Much of this can be done through private channels. In fact, all that can should be done through private channels. But it remains the responsibility of the Government to see that we as a Nation give our strong support to the realization of the aspirations of the peoples in the underdeveloped areas.

There are those who seem to feel that the economic support required by our present foreign policy is threatening the economic health of our own country. To be sure, it is an immediate and substantial economic cost. Nevertheless, the fact remains that despite the assistance which the United States has given in the postwar period, our economy has not only been strong but has become even stronger. We have seen new capital investment and personal savings at unprecedented peacetime levels. We have seen a further rise in our standard of living. This has been the record even during the period of our accelerated armament expansion, a process which has put a far greater burden on our national budget and our productive capacity than the goods which we have shipped abroad in the form of assistance.

But the real question is one of alternatives. Is it of value to use a small part of our resources in support of our foreign policy? If we cut out all defense and economic assistance, we could reduce current tax levels by something like 10 percent. If we continued the production of military equipment now destined for other countries and put it into our own military depots, the tax benefit would be greatly reduced but our own rearmament would be accelerated. On the other side, such an action would not only cripple the military programs of the NATO, but its economic effects would be severe, no small part of which would fall upon the sectors in our own economy which produce for export.

The assistance which we give to rearmament and to economic health and economic growth operates under the multiplier principle. For example, cotton which we sent to Germany in 1949 put to work textile mills and textile workers who would otherwise have been idle. The result was a quantity of textile products which far exceeded the value of the original raw material. Without American coal during the postwar years, many European factories would have been completely idle. The influence of our assistance in increasing the effective use of resources in other countries is usually much more important than the contribution of its own direct value. The effect therefore is not one of simple addition but rather of multiplication. If this process of extension is true in the economic

<sup>2</sup> For a summary of the International Materials Policy Commission report, see BULLETIN of July 14, 1952, p. 54.

field itself, it is even more true of the contribution made indirectly to the noneconomic elements in our foreign policy. Take away the economic underpinning, and I hate to think of the difficulties which would be created in our political and security relationships.

I have been talking about our foreign policy and its economic underpinnings in extremely broad terms. However, as one who has been actively engaged in the actual operation of foreign policy for more than 7 years, I must point out that even though general policy lines may seem to be clear, the day-to-day problems involve specific choices which frequently involve conflicts among various foreign policy objectives, domestic interests, and local pressures. Many different considerations—political, military, legal, economic—have been involved in determining our attitude in recent months toward Iran.

The foreign exchange decree of last January in Brazil raised a host of problems beyond its own narrow area. The problem of the purchase of tin has been more than a simple question of price. In the midst of specific and so-called special situations, it is easy to become short-sighted, although perspective is clearly a fundamental requirement.

As one looks at these many specific problems, it becomes apparent that, in the process of trying to build economic strength in the free world and in utilizing resources for common purposes, there is more involved than merely a series of immediate economic calculations. International relations are not built merely upon actions but also upon assurances. Sometimes these may take formal form, such as the common-defense-against-attack assurance in the North Atlantic Treaty. Sometimes, as in the case of our policy to lower trade barriers, they rest upon the multiple effect of declarations and actions such as the 18-year-old reciprocal trade agreement program and the Eca efforts to encourage Europeans to seek to sell more in the U.S. market.

You and I must make certain assumptions in making our choices today—perhaps that our source of income will not suddenly disappear, that we will or will not have any more children, that prices will or will not rise any further, that there will or will not be greater opportunities for purchasing in the future than today. We watch with eagerness for signs to indicate how our assumptions, based on the past, should be modified with respect to the future.

### **Dangers of Restrictive Trade Policies**

Again, this holds true for nations. That is why any deviation becomes so important and so dangerous. The great concern in other countries over the action of the Congress in restricting imports of cheese far exceeded the importance of the trade in cheese itself. The question to them was—"Is this a sign of rising protectionism in the United States?" To be sure, virtually every Congress-

man who supported the restrictive action took the line that he "believed in liberal trade policies but, in this specific case etc., etc." However, it planted a doubt in the mind of the European businessman. "If I succeed in selling in the American market, may I not find new barriers suddenly raised against my product?" A small number of such actions, by weakening the important element of assurance as to American commercial policy, could more than offset all the manifold consistent actions directed at lowering trade barriers of the previous 5 years.

Unfortunately, there are other illustrations of this same point. Our programs of assistance have not always given to other countries the kind of assurance that they should. In 1947 the 80th Congress refused even to consider the Administration's proposal for an assistance program to help South Korea make itself economically self-supporting, and in January 1950, the Congress delayed and then voted down a new proposal by the Administration for Korean economic aid.

Even though we had already given South Korea a substantial amount of assistance, and although Congress finally reversed its position, I have no doubt but that the actions of the 80th and 81st Congresses with respect to South Korea in this critical period contributed greatly to the notion that we had no real interest or concern for that unfortunate country.

One more illustration lies in the field of East-West trade. American policy now for several years has restricted the export to the U.S.S.R. and her satellites of any products which might contribute to the Soviet bloc military potential. Most other countries in the free world have followed a similar general policy, but a very small amount of trade in quasi-strategic goods still persists, either because of contracts made some years ago or because the sale of a limited amount of some commodity would bring items in exchange which were even more essential to the country involved, such as coal, lumber, or fertilizer.

American legislation known as the Battle Act declares that if there is a shipment of strategic materials to the Soviet bloc by some other country, American aid to that country must be terminated, unless the President determines and reports to Congress that an exception should be granted in the interest of our national security. But the discouraging fact is that, despite the existence of this legislation and the great progress which has been made in achieving its purpose, many Congressmen at the last session seemed to favor the adoption of the Kem Amendment, which would remove all flexibility from this area and require automatic termination of aid, regardless of the circumstances. The amendment failed on procedural grounds. But had it passed, it would have denied all our efforts to make the defense of the free world a joint and cooperative effort, and it would have given this one objective, obviously very limited in its

possible effects, absolute priority over the much more basic objectives of our foreign policy to build a common defense and to develop economic strength. In fact, such dictation to other countries could easily pull down our whole foreign policy position. Here again, an action of limited economic significance might have had devastating effects on far broader political and security objectives.

We cannot avoid having a foreign policy. It may be one of constructive action or one of dead-handed passivity. Whatever it may be, it is tremendously important to each of us, and to the free world. It will be a major element in determining the future pattern of the world in which we and our children will live. I cannot believe that we as a Nation will stand aside. The world is too small for that.

The effectiveness of our foreign policy depends in large part upon how we utilize our vast economic resources. And, in turn, the effectiveness of the economic instruments will depend not only upon the broad lines of our policy but upon the consistency with which we follow our objectives in each specific situation. We will gain nothing—in fact we will seriously damage our position—by statements of high objectives and professions of international responsibility, if in the process of carrying them out we permit them to be undercut by partisan groups or narrow economic interests. The danger that we look at each problem solely within its own narrow limits is particularly present in the economic field. Rather, we must keep our broad purposes always clearly in our minds. We must present the world with such a consistent performance in the economic field day after day and year after year that the economic underpinnings will provide that solid strength required of any lasting foundation. On it we can build a foreign policy of constructive action.

## **Peaceful Unification of Germany Is U.S. Objective**

*Address by John J. McCloy<sup>1</sup>*

It is easy for those of us who live in freedom to speak resounding phrases to those who are not free. In the West it is simple for us to make promises, but in the East it is bitter for you when hopes are disappointed. For that reason I shall try to speak with restraint today.

Very soon, after serving 3 years as U.S. High Commissioner for Germany, I shall return home. Shortly thereafter my successor will arrive in Germany. It would be unthinkable for me, however, to leave Germany without talking over RIAS to you. What I shall say to you is what all

<sup>1</sup>Made over Radio Station RIAS in Berlin on July 11 and released to the press by the Office of the High Commissioner for Germany on the same date.

Americans would say if they could speak for themselves today.

First of all, millions of people in the free world feel gratitude and admiration for you—men, women, and young people—in recognition of the steadfast endurance you are displaying against Communist dictatorship. We know the hardships this entails and the limitations it produces. Your determination to gain freedom gives us determination to protect it where it exists and to try to extend it where it is suppressed.

The free world knows that most of you are not in a position to put up militant resistance. We know, however, that among millions in the East sector and in the East zone there is a deep religious and spiritual resistance and that you will not give in to the pressures and threats against you. Since in your hearts and minds you will never accept dictatorship and its concepts, you are already on the road to freedom. The day will come when you will be united in peace and freedom with the rest of Germany and the rest of Europe.

### **The Force of History**

There are deep reasons for this belief.

It is the logic of modern history that the peoples living in the area of the East zone and of the Federal Republic belong together. Just as Hitler's brutal attack on the East flaunted the lessons of history and led to the slavery in which you now live, so does history prove that other peoples cannot for long rule over Germans in areas where the Germans should rightly rule themselves.

The force of history is such that right must and will replace wrong, and it is right for Germany to be united in freedom.

There is a second reason why the present enslavement of the East zone cannot last. In our modern world, dictatorship over foreign peoples has had only temporary success. It is never lasting—no more than Hitler's was. Soviet dictatorship over non-Russians is also bound to end. There is no reason why it should not end peacefully. It is unnatural and impossible for the Soviet rulers long to continue their rule over the Germans, the Poles, the Czechs, and many other peoples who seek freedom.

There is another reason why freedom in peace will come. That is the solid growth of the European-Atlantic community.

During the past year, free peoples of Europe and the world have been coming together to pool their resources and manpower, to unite their purposes and their defenses so that the Communist aggressors will hesitate to move against them. By its nature and intent this community is nonaggressive, and no nonaggressor need ever fear it.

The European-Atlantic community, however, is more than a defense community; it is and will become increasingly a strong economic, political,

and psychological center of attraction. It will exert peaceful influence everywhere. Inevitably this peaceful community will attract all peoples who seek freedom.

The day will come when the Kremlin will be unable to withstand this natural, powerful but peaceful pressure. It will some day recognize that in place of sham peace campaigns, instead of disruptive moves to weaken the free peoples, an honest peace with the free world will better serve Russia's interests.

An honest peace must have certain conditions. One of them is the unification in peace and freedom of Germany. It is a firm basis of American policy that the German people should be united, and that we should do everything possible to aid that unification. We have set forth that pledge in the contractual agreements, and we mean it. We mean it because the peaceful unification of Germany in freedom will help bolster peace throughout the world.

In the coming weeks there may be more exchanges of notes or talk of preliminary investigation of election conditions in the East zone. We shall take every honest step to achieve free elections and unification. We shall not, however, allow ourselves to be trapped by Soviet threats and tactics. We shall not falter in our firm advance toward the erection of a strong, united European community. We know that the people of the East zone desire and support this policy.

#### **Berlin—The Symbol of German Unity**

There is another Allied policy which, I am certain, has the ardent backing of the people of the East zone. And that is unflinching, firm support for West Berlin.

The American people are giving important aid to the economy of Berlin to counteract Soviet strangulation efforts against the brave people of that city. You know of the guaranties which Britain, France, and the United States have given to Berlin. They were only recently repeated by Secretary Acheson on his recent visit to Berlin.<sup>2</sup> The reason for the association of the West with the fate of Berlin is clear. Berliners have made their city a symbol of freedom for the entire world and Berlin is the symbol of German unity.

Freedom and unification of the people of Germany will not be a threat to the peoples in the satellite nations now living under Soviet domination. Freedom for those peoples—the Poles, the Czechs, the Hungarians, the Rumanians, and others—will not be a threat to Germany. The blood- and tear-stained history of Eastern Europe in the last century is a warning to us all. I believe that the German people and the Slavic peo-

<sup>2</sup>For text of the Secretary's remarks on this occasion, see BULLETIN of July 7, 1952, p. 3.

ples must live together in respect and friendship; that they must never again allow hatred to guide their affairs. There is room enough in Central and in Eastern Europe for all; there is only one way for all peoples, and that is tolerance and peace among them.

My final words are directed to the youth of the East zone. The young men and women, the boys and girls of the East zone are certain to see the day of German unification in freedom and peace. The fact that you will be free citizens of a free Europe imposes obligations on you.

We know that a majority of the young people of the East zone, despite the blue shirt that many of you must wear, seeks the free way of life. You have a special responsibility not to allow yourselves to be misused against the best interests of a united Germany and a United Europe. It is not the shirt you wear but the things you do that is important. I repeat, do not allow yourselves to be misused against your parents, your neighbors, and against your comrades in the free world.

The day is coming when all of us will live together in greater prosperity, and in peace and freedom.

#### **Resignation of John J. McCloy**

Press release 561 dated July 18

The President announced on July 18 that John J. McCloy, U.S. High Commissioner for Germany, has asked to be relieved of his responsibilities as High Commissioner for personal reasons. Mr. McCloy is expected in Washington for consultation around July 28, 1952. His resignation is to become effective July 31, 1952.

The President, in regretfully accepting Mr. McCloy's decision, expressed his great personal appreciation for the outstanding contribution Mr. McCloy has made in bringing the Federal Republic of Germany into the family of free nations and in the development of friendly relations between the United States and the Federal Republic of Germany.<sup>1</sup>

The President appointed Ambassador Walter J. Donnelly, who is presently serving as U.S. High Commissioner for Austria, as the new U.S. High Commissioner for Germany. Mr. Donnelly is expected to assume his new duties around August 1, 1952.

The President also appointed as American Ambassador to Austria and U.S. High Commissioner for Austria, Llewellyn E. Thompson, Jr. Mr. Thompson has been assigned as counselor of Embassy at Rome with the rank of Minister since June 1950.

<sup>1</sup>For texts of Mr. McCloy's letter of resignation and the President's reply, see White House press release of July 18.



## U.S.-German Educational Exchange Agreement

Press release 567 dated July 18

The Federal Republic of Germany on July 18 signed an agreement with the United States putting into operation the program of educational exchanges authorized by the Fulbright Act. The signing took place at Bonn with Chancellor Konrad Adenauer representing the Federal Republic of Germany, and U.S. High Commissioner John J. McCloy representing the Government of the United States.

The agreement provides for an annual expenditure not to exceed the equivalent of \$1,000,000 in deutschemarks for a period of 5 years to finance exchanges between that country and the United States for purposes of study, research, or teaching. The program will be financed from certain funds made available by the U.S. Government resulting from the sale of surplus property to the Federal Republic of Germany.

All recipients of awards under this program are selected by the Board of Foreign Scholarships, appointed by the President of the United States.

Under the terms of the agreement, a U.S. Educational Commission in the Federal Republic of Germany will be established to assist in the administration of the program. The Board of Directors of the Commission will consist of 10 members, 5 of whom are to be Germans having their permanent residence in the Federal Republic of Germany and/or the Western section of Berlin, and 5 of whom are to be citizens of the United States.

After the members of the Commission have been appointed and a program formulated, information about specific opportunities will be made public.

## Termination of U.S.-Turkish Trade Agreement

Press release 566 dated July 18

The reciprocal trade agreement concluded between the United States and Turkey in 1939 will be terminated by mutual consent as of August 4, 1952. This action was taken in view of the fact that Turkey has become a contracting party to the General Agreement on Tariffs and Trade to which the United States is also a party. Since October 17, 1951, when Turkey's accession became effective, the terms of the General Agreement have governed trade relations between that country and the United States. Pursuant to U.S. policy of superseding existing bilateral agreements as countries parties thereto become contracting parties to the

General Agreement on Tariffs and Trade, steps for terminating the bilateral agreement were taken while Turkey was negotiating for accession to the General Agreement.

The termination of the 1939 agreement will cause no changes in tariff rates.

Termination of the 1939 agreement was effected by an exchange of notes between the two Governments at Ankara. The notes were signed by both Governments on July 5. The text of the notes will be published at a later date.

A proclamation was signed by the President on July 18 terminating on August 4, 1952, two Presidential proclamations, dated April 5, 1939, and November 30, 1939, which proclaimed the United States-Turkish trade agreement.

The text of the proclamation follows:

BY THE PRESIDENT OF THE UNITED STATES  
OF AMERICA

### A P R O C L A M A T I O N <sup>1</sup>

1. WHEREAS, under the authority vested in him by section 350 (a) of the Tariff Act of 1930, as amended by the Act of June 12, 1934, entitled "An Act to amend the Tariff Act of 1930" (48 Stat. 943), which amending Act was extended by Joint Resolution of Congress, approved March 1, 1937 (50 Stat. 24), the President of the United States entered into a trade agreement with the President of the Turkish Republic on April 1, 1939 (54 Stat. 1871), and proclaimed such trade agreement by proclamations of April 5, 1939 (53 Stat. 1870) and November 30, 1939 (54 Stat. 1896);

2. WHEREAS the Government of the United States of America and the Government of the Republic of Turkey have agreed to terminate the said trade agreement effective August 4, 1952;

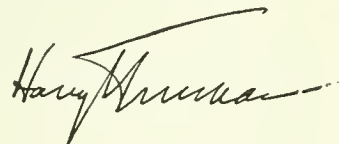
3. WHEREAS the said section 350 (a) of the Tariff Act of 1930 authorizes the President to terminate in whole or in part any proclamation carrying out a trade agreement entered into under such section;

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, acting under and by virtue of the authority vested in me by the constitution and the statutes, including the said section 350 (a) of the Tariff Act of 1930, as amended, do hereby proclaim that the said proclamations dated April 5, 1939 and November 30, 1939, shall terminate August 4, 1952.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 18th day of July, 1952 in the year of our Lord nineteen hundred and fifty-two, and of the Independence of the United States of America the one hundred and seventy-seventh.

[SEAL]



By the President:  
DEAN ACHESON  
*Secretary of State*

<sup>1</sup> No. 2982 (17 Fed. Reg. 6605).

## U.S.-S. African Tax Conventions and Protocols Enter Into Force

Press release 555 dated July 15

On July 15, 1952, the Secretary of State and the Ambassador of the Union of South Africa at Washington met and exchanged the instruments of ratification of the two Governments with respect to certain tax conventions and protocols between the United States and the Union of South Africa, as follows: (a) the convention of December 13, 1946, for the avoidance of double taxation with respect to taxes on income and the protocol of July 14, 1950, supplementary thereto; (b) the convention of April 10, 1947, for the avoidance of double taxation with respect to taxes on the estates of deceased persons and the protocol of July 14, 1950, supplementary thereto.

Upon the exchange of the instruments of ratification the two conventions and the related supplementary protocols entered into force in accordance with their respective terms.

The Senate, on September 17, 1951, gave its advice and consent to the ratification of the conventions and protocols. Senate approval of the income-tax convention and protocol was made subject to a reservation affecting article II (3) of the protocol and an understanding affecting article XV of the convention as amended by the protocol. Senate approval of the estate-tax convention and protocol was made subject to an understanding affecting article VIII of the convention as amended by the protocol. The reservation and the understandings were accepted by the Union of South Africa. On December 14, 1951, the President ratified both conventions and their related protocols. A proclamation with respect to the entry into force of each of the conventions and its related protocol will be issued by the President.

## Agreement With Canada for Allocation of TV Channels

Press release 563 dated July 18

The Governments of the United States and Canada have recently concluded an agreement covering the allocation of television channels along the U.S.-Canadian border.

The agreement concerns itself with the assignment and utilization of 82 television channels between 54 and 890 megacycles within an area of 250 miles on either side of the border between the United States and Canada and establishes certain technical requirements relating to the position, power, and equipment of the television channels falling within the 250 mile radius. Provision is made for changes in frequency assignments and continuous cooperation between the appropriate

agencies of the two Governments to minimize interference and obtain the maximum efficiency in the use of television channels.

The agreement reflects the results of several conferences between officials of the Federal Communications Commission of the United States and officials of the Department of Transport of Canada. Agreement was effected by an exchange of notes between Ambassador Stanley Woodward of the Embassy at Ottawa and the Secretary of State for External Affairs of Canada. The U.S. note was dated April 23, 1952, and the Canadian note was dated June 23, 1952.

## U.S.-Venezuelan Trade Agreement Negotiations

Press release 549 dated July 14

Delegations representing the Governments of the United States of Venezuela and of the United States of America have been meeting at Caracas since April 18 for the purpose of negotiating a revision of the reciprocal trade agreement which has been in effect between the two countries since 1939. Notwithstanding the careful preparation prior to the negotiations, their very nature, involving many items of trade, has required lengthy discussion and detailed analysis by both sides.

Agreement has been reached on much of the matter under discussion, and both Governments are hopeful that the negotiations may be successfully concluded in due course.

It had been agreed that the initial phase of the negotiations would be conducted at Caracas but that additional negotiations would take place at Washington, after which signature of the agreement would take place at Caracas.

In accordance with the plan previously agreed upon, the two Governments have decided that the time is now appropriate to carry out the next phase of the negotiations at Washington.

## Revocation of Suspension of Duties on Lead and Zinc

A PROCLAMATION<sup>1</sup>

WHEREAS the import duties imposed under paragraphs 391 and 392 of the Tariff Act of 1930, as amended, on lead-bearing ores, flue dust, and mattes of all kinds, lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, and antimonial scrap lead have been suspended by Public Law 257, 82d Congress, approved February 11, 1952, with respect to imports entered, or withdrawn from warehouse, for consumption during the period beginning February 12, 1952, and ending with the close of March 31, 1953, or the

<sup>1</sup>No. 2979 (17 Fed. Reg. 5785).

termination of the national emergency proclaimed by me on December 16, 1950, whichever is earlier;

WHEREAS the said Public Law 257 contains the following proviso:

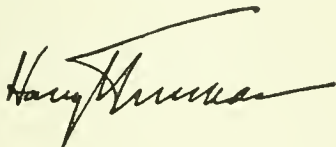
*Provided*, That when, for any one calendar month during such period [of suspended duties], the average market price of common lead for that month, in standard shapes and sizes, delivered at New York, has been below 18 cents per pound, the Tariff Commission, within fifteen days after the conclusion of such calendar month, shall so advise the President, and the President shall, by proclamation, not later than twenty days after he has been so advised by the Tariff Commission, revoke such suspension of the duties imposed under paragraphs 391 and 392 of the Tariff Act of 1930, such revocation to be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption after the date of such proclamation;

WHEREAS, on the fifth day of June, 1952, the Tariff Commission reported to me that it has found that the average market price of common lead for the month of May 1952, in standard shapes and sizes, delivered at New York, has been below 18 cents per pound:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, pursuant to the said proviso of Public Law 257, 82d Congress, do hereby proclaim the revocation of the suspension of duties provided for in the said Public Law 257, such revocation to be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption after the date of this proclamation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 25th day of June in the year of our Lord nineteen hundred and [SEAL] fifty-two, and of the Independence of the United States of America the one hundred and seventy-sixth.



By the President:  
DAVID BRUCE,  
*Acting Secretary of State.*

## A P R O C L A M A T I O N <sup>2</sup>

WHEREAS the import duties on zinc-bearing ores imposed under paragraph 393 of Title I of the Tariff Act of 1930, as amended, and on zinc in blocks, pigs, and slabs imposed under paragraph 394 of such title, have been suspended by Public Law 258, 82d Congress, approved February 11, 1952 (66 Stat. 7), with respect to imports entered, or withdrawn from warehouses, for consumption during the period beginning February 12, 1952, and ending with the close of March 31, 1953, or the termination of the national emergency proclaimed by me on December 16, 1950, whichever is earlier;

WHEREAS the said Public Law 258 contains the following proviso:

*Provided*, That when, for any one calendar month during such period, the average market price of slab zinc (Prime Western, f. o. b. East St. Louis) for that month has been below 18 cents per pound, the Tariff Commission, within fifteen days after the conclusion of such calendar month,

<sup>2</sup> No. 2983 (17 *Fed. Reg.* 6835).

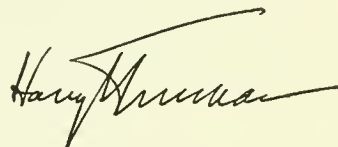
shall so advise the President, and the President shall, by proclamation, not later than twenty days after he has been so advised by the Tariff Commission, revoke the suspension of duties made by this Act, such revocation to be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption after the date of such proclamation;

AND WHEREAS on the third day of July 1952 the Tariff Commission reported to me that it has found that the average market price of slab zinc (Prime Western, f. o. b. East St. Louis) for the month of June 1952 was below 18 cents per pound:

NOW THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, pursuant to the said proviso of Public Law 258, 82d Congress, do hereby proclaim the revocation of the suspension of duties provided for in the said Public Law 258, such revocation to be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption after the date of this proclamation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 23rd day of July in the year of our Lord nineteen hundred and [SEAL] fifty-two, and of the Independence of the United States of America the one hundred and seventy-seventh.



By the President:  
DEAN ACHESON,  
*Secretary of State.*

## Proposal To Move Israel Foreign Office to Jerusalem

Press release 576 dated July 22

*The following is the text of an aide-mémoire concerning the proposed move of the Israel Foreign Ministry from Tel Aviv to Jerusalem which was delivered by the Embassy at Tel Aviv to the Israel Government on July 9, 1952:*

The Government of the United States has noted with concern the decision and announcement of the Israel Government on May 4, 1952, to move the Foreign Office to Jerusalem.

The Government of the United States has adhered and continues to adhere to the policy that there should be a special international regime for Jerusalem which will not only provide protection for the holy places but which will be acceptable to Israel and Jordan as well as the world community.

Since the question of Jerusalem is still of international importance, the U.S. Government believes that the United Nations should have an opportunity to reconsider the matter with a view to devising a status for Jerusalem which will satis-

factorily preserve the interests of the world community and the states directly concerned. Consequently, the U.S. Government would not view favorably the transfer of the Foreign Office of Israel to Jerusalem.

The Government of the United States also wishes to convey that in view of its attitude on the Jerusalem question, it has no present intention of transferring the Ambassador of the United States and his staff to Jerusalem.

## **U.S. Private Agencies Supply Aid to India**

Press release 574 dated July 22

The Advisory Committee on Voluntary Foreign Aid of the Department of State reported on June 22 that during the 12 months' period ending June 30, 1952, relief supplies valued at upward of \$750,000 have gone forward to India as donations from U.S. private sources.

The forwarding and distribution of these supplies have been facilitated by the U.S. and the Indian Governments. The cooperation of these Governments and the participating voluntary agencies was furthered by an agreement authorized by the India Emergency Food Aid Act of 1951. This Act, in addition to the authorization of a loan to the Indian Government for the purchase of American grain to meet the food emergency in India, permitted the United States to reimburse the voluntary agencies for the ocean freight charges for the transport of their supplies from U.S. ports to ports of entry in India.

The Indian Government for its part permitted the goods to enter without payment of duty charges or other taxes and provided inland transport of the supplies to the points of consumption where they were distributed on the basis of need and without cost to the recipient. The voluntary program carried out through this cooperation was an effective demonstration of its value as a supplement to the Indian Government's program of food rationing.

The American relief groups which have carried on relief activities in India under this arrangement were Church World Service, War Relief Services—National Catholic Welfare Conference, CARE, American Friends Service Committee, Lutheran World Relief, and the Mennonite Central Committee. Urgently needed food, much of which was donated by American farmers, comprised the major portion of the total, but distri-

bution also included significant quantities of medical supplies and hospital equipment, agricultural equipment, such as small plows and other implements which the recipients could use in producing food. The total also includes administrative supplies of the voluntary relief agencies, such as jeeps and office equipment, to make possible effective distribution. This distribution was carried out by American representatives of the agencies in close cooperation with the Indian authorities and local welfare groups.

These gifts represented contributions from persons in all sections of the United States and from all segments of the population. It was an expression of good will on behalf of the American people for the people of India.

## **U.S.S. "Courier" Sails for Island of Rhodes**

Press release 569 dated July 19

The International Information Administration announced on July 19 that the Voice of America's first seagoing broadcasting station, the U. S. Coast Guard Cutter *Courier*, sailed Thursday, July 17 for the island of Rhodes in the Eastern Mediterranean on its initial assignment as a floating relay base for programs in the Near East and Iron Curtain languages.

Wilson Compton, administrator of the United States International Information Administration said that, "The sailing of the *Courier* marks another phase of our effort to reach more people behind the Iron Curtain." It follows the opening last fall of a programming center in Munich, Germany, which is now broadcasting an hour and 30 minutes a day in five Iron Curtain languages. In addition, it continues to relay broadcasts originating in New York.

The 338-foot *Courier* recently returned from a 6 weeks' shake-down cruise in the Caribbean where tests proved it to be one of the most versatile means thus far developed to promote the U.S. Campaign of Truth. During the extended tests in the Canal Zone its medium wave transmitter was heard clearly throughout the Caribbean and its two short-wave transmitters as far away as Europe and New Zealand.

En route to Rhodes, the *Courier* will make courtesy visits at Tangier about August 1; Gibraltar, August 2; Naples, August 9; and Piraeus, August 18.

# Calendar of Meetings<sup>1</sup>

## Adjourned During July 1952

Universal Postal Union, 13th Congress . . . . .	Brussels . . . . .	May 14-July 12
UN (United Nations):		
Trusteeship Council: 11th Session . . . . .	New York . . . . .	June 3-July 25
FAO (Food and Agriculture Organization):		
European Forestry and Forest Products Commission: Meeting of Working Group on Torrent Control and Protection from Avalanches.	Nice . . . . .	June 28-July 8
Meeting on Home Economics and Education in Nutrition (FAO-Caribbean Commission).	Port-of-Spain . . . . .	June 30-July 5
International Philatelic Exhibition . . . . .	Utrecht . . . . .	June 28-July 6
ICAO (International Civil Aviation Organization):		
4th Special Meeting of Rules of the Air and Traffic Services Committee—European-Mediterranean Region.	Paris . . . . .	June 30-July 9
International Commission for the Northwest Atlantic Fisheries: 2d Annual Meeting.	St. Andrews, New Brunswick.	June 30-July 10
International Wheat Council: 10th Session . . . . .	London . . . . .	July 1-11
Fifteenth International Congress on Public Education . . . . .	Geneva . . . . .	July 7-16
Sixth International Congress for Animal Husbandry . . . . .	Copenhagen . . . . .	July 9-14
ITU (International Telecommunication Union):		
Conference for Revision of Bermuda Telecommunications Agreement.	London . . . . .	July 9-21
WMO (World Meteorological Organization):		
Commission for Maritime Meteorology, 1st Meeting of . . . . .	London . . . . .	July 14-26*
Third Meeting of the Sub-Group of the Intersessional Working Party on the Reduction of Tariff Levels of Contracting Parties to GATT.	Geneva . . . . .	July 15-26
International Soil Fertility Meeting . . . . .	Dublin . . . . .	July 21-31

## In Session as of July 31, 1952

International Materials Conference . . . . .	Washington . . . . .	Feb. 26, 1951-
International Conference on German Debts. . . . .	London . . . . .	Feb. 28-
UN (United Nations):		
Economic and Social Council:		
14th Session of Council . . . . .	New York . . . . .	May 20-
Economic Commission for Asia and the Far East:		
Working Party on Small Scale Industries and Handicrafts Marketing: 2d Meeting.	Bangkok . . . . .	July 28-
Twenty-sixth Biennial International Exhibition of Art . . . . .	Venice . . . . .	June 14-
UNESCO (United Nations Educational, Scientific and Cultural Organization):		
International Center for Adult Education—Workers' Education . . . . .	Paris . . . . .	July 12-
Eighteenth Conference of the International Red Cross . . . . .	Toronto . . . . .	July 23-
Eighth General Assembly of the Inter-American Commission of Women.	Rio de Janeiro . . . . .	July 23-
PAIGH (Pan American Institute of Geography and History):		
3d Consultation on Geography . . . . .	Washington . . . . .	July 25-

## Scheduled August 1-October 31, 1952

Inter-American Seminar on Vocational Education . . . . .	University of Maryland.	Aug. 2-
UNESCO (United Nations Educational, Scientific and Cultural Organization):		
Seminar on Education in World Citizenship, especially in Human Rights.	Woudschoten, Zeist, Netherlands.	Aug. 3-
International Conference to Negotiate a Universal Copyright Convention.	Paris . . . . .	Aug. 18-
Seminar on Museums . . . . .	New York . . . . .	Sept. 15-
International Congress of the Arts . . . . .	Venice . . . . .	Sept. 21-
First Australian-New Zealand-United States Council Meeting (ANZUS).	Kaneohe, Oahu, T. H.	Aug. 4-
International Conference on Agricultural and Cooperative Credit. . . . .	University of California, Berkeley.	Aug. 4-
Thirteenth International Exhibition of Cinematographic Art . . . . .	Venice . . . . .	Aug. 8-
Eighth General Assembly of the International Geographical Union . . . . .	Washington . . . . .	Aug. 8-
Fourth World Assembly of the World Organization for Early Childhood Education.	México, D. F. . . . .	Aug. 11-
International Radio Scientific Union: 10th General Assembly . . . . .	Sydney . . . . .	Aug. 11-
Sixth International Edinburgh Film Festival . . . . .	Edinburgh . . . . .	Aug. 17-
Sixth International Grassland Congress . . . . .	State College, Pennsylvania.	Aug. 17-

<sup>1</sup> Prepared in the Division of International Conferences, Department of State, July 25, 1952.

\*Tentative dates.

*Calendar of Meetings—Continued*

**Scheduled August 1–October 31, 1952—Continued**

Fourth International Congress of Onomastic Sciences . . . . .	Uppsala . . . . .	Aug. 18–
International Championships for 1952 Military Pentathlon . . . . .	Brussels . . . . .	Aug. 18–
UN (United Nations):		
Commission on Prisoners of War: 3d Session . . . . .	Geneva . . . . .	Aug. 25–
<i>Ad Hoc</i> Committee on Factors (Non-Self-Governing Territories) . . . . .	New York . . . . .	Sept. 3–
Committee on Information from Non-Self-Governing Territories . . . . .	New York . . . . .	Sept. 11–
General Assembly Committee on Administrative Unions . . . . .	New York . . . . .	Sept. 23–
General Assembly: 7th Session . . . . .	New York . . . . .	Oct. 14–
UN Ecosoc:		
Economic Commission for Asia and the Far East:		
Inland Transport Committee, Highway Subcommittee: 1st Session . . . . .	Bangkok . . . . .	Aug. 18–
2d Regional Conference of Statisticians . . . . .	Bangkok . . . . .	Sept. 1–
Inland Transport Committee, Inland Waterway Subcommittee . . . . .	Bangkok . . . . .	Sept. 16–
Working Party of Experts on Mobilization of Domestic Capital . . . . .	Bangkok . . . . .	Sept. 22–
Subcommittee on Electric Power . . . . .	Bangkok . . . . .	Oct. 14–
Inland Transport Committee, Railway Subcommittee: 1st Session . . . . .	Bangkok . . . . .	Oct. 20–
Seminar on Power Alcohol . . . . .	Lucknow . . . . .	Oct. 23–
ICAO (International Civil Aviation Organization):		
Aeronautical Information Services Division: 1st Session . . . . .	Montreal . . . . .	Aug. 19–
Special Diplomatic Conference to Conclude a Convention on Damage Caused by Foreign Aircraft to Third Parties on the Surface . . . . .	Rome . . . . .	Sept. 9–
Statistics Division: 2d Session . . . . .	Montreal . . . . .	Sept. 16–
Aerodromes, Air Routes and Ground Aids Division: 5th Session . . . . .	Montreal . . . . .	Oct. 21–
International Wine Office, 32d Plenary Session of the Committee . . . . .	Freiburg . . . . .	Aug. 19–
ITU (International Telecommunication Union):		
International Radio Consultative Committee (CCIR): Study Group X . . . . .	Geneva . . . . .	Aug. 20–
Telecommunication Plenipotentiary Conference . . . . .	Buenos Aires . . . . .	Oct. 1–
International Union of Theoretical and Applied Mechanics: 2d Assembly . . . . .	Istanbul . . . . .	Aug. 25–
Forty-first General Assembly of the Interparliamentary Union . . . . .	Bern . . . . .	Aug. 28–
Fourth International Congress of Anthropological and Ethnological Sciences . . . . .	Vienna . . . . .	Sept. 1–
International Bank for Reconstruction and Development—and International Monetary Fund: 7th Meeting of Boards of Governors . . . . .	México, D. F. . . . .	Sept. 3–
International Astronomical Union: 8th General Assembly . . . . .	Rome . . . . .	Sept. 4–
Seventh International Congress and Exposition of Photogrammetry . . . . .	Washington and Dayton . . . . .	Sept. 4–
Nineteenth International Geological Congress . . . . .	Algiers . . . . .	Sept. 8–
Thirteenth International Horticultural Congress . . . . .	London . . . . .	Sept. 8–
ILO (International Labor Organization):		
Chemical Industries Committee: 3d Session . . . . .	Geneva . . . . .	Sept. 9–
Petroleum Committee: 4th Session . . . . .	Schevenigen . . . . .	Oct. 14–
WMO (World Meteorological Organization):		
3d Session of the Executive Committee . . . . .	Geneva . . . . .	Sept. 9–
PASO (Pan American Sanitary Organization):		
17th Meeting of the Executive Committee . . . . .	Habana . . . . .	Sept. 10–
6th Session of the Directing Council—and 4th Regional Committee of the World Health Organization . . . . .	Habana . . . . .	Sept. 15–
18th Meeting of the Executive Committee . . . . .	Habana . . . . .	Sept. 25–
Fourth Meeting of the International Scientific Committee for Trypanosomiasis Research . . . . .	Lourenço Marques (Mozambique) . . . . .	Sept. 10–
FAO–ECLA Central American Seminar on Agricultural Credit . . . . .	Guatemala City . . . . .	Sept. 15–
Fourth International Congress of African Tourism . . . . .	Lourenço Marques . . . . .	Sept. 15–
Twenty-first International Congress for Housing and Town Planning . . . . .	Lisbon . . . . .	Sept. 21–
International Council for Exploration of the Sea . . . . .	Copenhagen . . . . .	Sept. 29–
Committee on Improvement of National Statistics: 2d Session . . . . .	Ottawa . . . . .	Sept. 29–
Fourth Meeting of the Executive Board of the International Council of Scientific Unions . . . . .	Amsterdam . . . . .	Sept. 30–
FAO (Food and Agriculture Organization):		
Technical Advisory Committee on Desert Locust Control: 2d Meeting . . . . .	Rome . . . . .	Sept.
Eucalyptus Study Tour . . . . .	Australia . . . . .	Sept.
Latin American Meeting on Livestock Production . . . . .	Brazil . . . . .	Sept.
Committee on Financial Control . . . . .	Rome . . . . .	Oct.*
Indo-Pacific Fisheries Council: 4th Session . . . . .	Manila . . . . .	Oct.*
Sixth General Assembly of the International Council of Scientific Unions . . . . .	Amsterdam . . . . .	Oct. 1–
International Conference on Legal Metrology, Provisional Committee . . . . .	Brussels . . . . .	Oct. 2–
GATT (General Agreement on Tariffs and Trade): 7th Session . . . . .	Geneva . . . . .	Oct. 2–
Joint ILO/WHO Committee on Occupational Health: 2d Session . . . . .	Geneva . . . . .	Oct. 6–
International Committee on Weights and Measures: Biennial Session . . . . .	Sèvres . . . . .	Oct. 7–
PAIGH (Pan American Institute of Geography and History): 6th Consultation on Cartography . . . . .	Ciudad Trujillo . . . . .	Oct. 12–
Eighth Pan American Congress of Architects . . . . .	México, D. F. . . . .	Oct. 19–
First Ibero-American Congress on Archives, Libraries and Copyrights . . . . .	Madrid . . . . .	Oct. 20–
Pan American Highway Congress: Extraordinary Session . . . . .	México, D. F. . . . .	Oct. 26–
Inter-American Economic and Social Council: 3d Extraordinary Meeting . . . . .	Undetermined . . . . .	Oct.
South Pacific Commission: 10th Session . . . . .	Nouméa . . . . .	Oct.
International Wool Study Group: 5th Meeting . . . . .	London . . . . .	Oct.

# Greater Stability Forecast for World Cotton Trade

## INTERNATIONAL COTTON ADVISORY COMMITTEE'S ELEVENTH PLENARY MEETING

by *Eulalia L. Wall*

The eleventh plenary meeting of the International Cotton Advisory Committee was held at Rome, May 17-28, at the invitation of the Government of Italy. Present were delegations from 25 member countries and observers from 22 nonmember countries and five international organizations.<sup>1</sup>

The U.S. delegation to the meeting included:

### *Chairman*

Leslie A. Wheeler, Special Assistant to the Secretary of Agriculture

### *Vice Chairman*

Francis A. Linville, Chief, Agricultural Products Staff, Department of State

### *Advisers*

Howard R. Cottam, Counselor of Embassy, American Embassy, Rome

Read P. Dunn, Jr., Foreign Trade Director, National Cotton Council, Washington, D.C.

René Lutz, Deputy to the Assistant Director for Foreign Requirements and Claimancy, Office of International Trade, Department of Commerce

<sup>1</sup> Member governments which participated in the meeting were Argentina, Australia, Austria, Belgium, Brazil, Canada, Denmark, Egypt, Finland, France, Federal Republic of Germany, Greece, India, Italy, Japan, Mexico, the Netherlands, Pakistan, Peru, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States. The member governments which did not send representatives were Anglo-Egyptian Sudan and the Philippines.

Nonmember governments which sent observers were Afghanistan, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Hungary, Indonesia, Israel, Luxembourg, Nicaragua, Norway, Panama, Paraguay, Poland, Portugal, Syria, Union of South Africa, Uruguay, Venezuela, Vietnam, and Yugoslavia.

International organizations which sent observers were Food and Agriculture Organization of the United Nations, International Monetary Fund, Organization for European Economic Cooperation, International Federation of Agricultural Producers, and International Federation of Master Cotton Spinners and Manufacturers Associations.

Arthur W. Palmer, Head, Cotton Division, Office of Foreign Agricultural Relations, Department of Agriculture

F. Marion Rhodes, Director, Cotton Branch, Production and Marketing Administration, Department of Agriculture

Oscar Zaglits, Head, Foreign Agricultural Trade and Policy Division, Office of Foreign Agricultural Relations, Department of Agriculture

### *Secretary and Adviser:*

Eulalia L. Wall, Department of State

In addition, Francis H. Whittaker, European representative for cotton, Office of Foreign Agricultural Relations, Department of Agriculture, was in Rome and available for consultation.

The International Cotton Advisory Committee is an intergovernmental fact-finding organization designed to observe and keep in close touch with the world cotton situation, and to suggest to the governments represented measures for the solution of world cotton problems through international cooperation. The Committee was founded in 1939 in response to a resolution adopted by 10 of the leading cotton-exporting countries at an international cotton meeting held at Washington in early September of that year. Following a period of inactivity during the war years, the Committee was reactivated in 1945.

At its first postwar meeting, the Committee opened its membership to all countries having a substantial interest in the production, importation, or exportation of cotton. Today, the International Cotton Advisory Committee enjoys the support of 27 countries representing nearly nine-tenths of world cotton production, consumption, and international trade. The Committee maintains a permanent secretariat at its seat in Washington and, in the intervals between plenary meetings, functions through a standing committee composed of the representatives in Washington of all member governments. The annual plenary

meetings enable the Committee to make periodic reviews of the over-all economic position of cotton in the world; to review and approve the work of the standing committee and the secretariat in carrying out their responsibilities; to approve annual work programs and budgets; to ascertain the need for special studies of cotton production, consumption, and trade; and to formulate recommendations for international collaboration in solving world cotton problems.

### **Increase of World Cotton Stocks**

At the eleventh meeting, as at previous plenary sessions, the Committee directed its attention first to an appraisal of the cotton situation and outlook. Delegations reported on conditions in their respective countries and the secretariat presented a comprehensive report on the world cotton situation. On the basis of these statements, the Committee found that world cotton stocks had increased materially in 1951-52, and had reached a level where the available supply was in approximate balance with demand.

Thus the supply position, which had been of great concern to importing countries at the tenth meeting, had become somewhat easier. Moreover, it was clear in retrospect that speculative buying and holding of cotton goods after the outbreak of hostilities in Korea had been a factor in the all-time record high level of cotton textile output in 1950-51 and in the subsequent downward readjustments in 1951-52. Nevertheless, it was considered likely that raw cotton consumption in 1951-52 would reach the highest level of any postwar year except 1950-51. It was concluded that although readjustments were still underway, there was a reasonable hope for more settled conditions in the world cotton trade than those that had prevailed during the preceding 18 months. The Committee was also impressed with the need for finding means of moderating extreme fluctuations in cotton supplies and prices such as those which had occurred in the past year and a half. Consideration was given to remedies for this situation being sought by individual governments, and to problems involved in an international cotton agreement.

The Committee had before it a *Report on an International Cotton Agreement* which its standing committee had prepared in response to Resolution X of the Tenth Plenary Meeting.<sup>2</sup> This report was concerned mainly with two types of agreement: the multilateral contract, and a combined form of agreement embodying international trade quotas and buffer stocks. It analyzed the basic principles of both and sought to explore the types of problems which might arise if they were taken as a basis for international action on

<sup>2</sup> Copies of this report may be obtained from the International Cotton Advisory Committee, South Agriculture Building, Washington 25, D.C.

cotton. The report suggested possible solutions to some of the technical problems, but listed a number of important questions which would require further study before any conclusion could be reached. The Committee commended the report as an aid in advancing thought on the questions of whether an agreement would be possible, and if so, what form it should take. It was agreed, however, that considerable additional study was needed before governments could arrive at final views or determine their attitudes toward a possible agreement. Accordingly, the standing committee was instructed to explore further the complex problems involved and to report to member governments on the progress of its studies, submitting if possible concrete proposals so as to enable governments to consider more fully their position in relation to a cotton agreement.

### **Cotton Yields in Underdeveloped Countries**

Following this action, the Committee discussed possibilities for obtaining technical and financial aid for the purpose of increasing cotton yields in underdeveloped countries. The importance of cotton research and the desirability of increasing yields in underdeveloped countries had been stressed in resolutions of the ninth and tenth meetings. It was the consensus of the eleventh meeting that these objectives might be furthered by the initiation of a research project on a regional cooperative basis at a suitable center. Accordingly, it was resolved that the Committee should enlist the aid of the organizations of the United Nations and other international agencies toward this end.<sup>3</sup>

The eleventh meeting also reviewed the Committee's organizational structure, and decided upon the work program and budget for the fiscal year beginning July 1, 1952. To facilitate this phase of the work, two subcommittees were established: one on organization and finance, and the other on information and statistics. The subcommittee on organization and finance reviewed and approved, with minor amendments, the codification of the Committee's rules and regulations which had been prepared by the standing committee in accordance with resolution v of the tenth meeting. The codification, as amended, was approved by the meeting. The meeting also adopted four resolutions proposed by the subcommittee on organization and finance relating to the 1952-53 budget and scale of contributions and other financial matters.

<sup>3</sup> The text of resolutions adopted at the meeting will be included in *Proceedings of the Eleventh Plenary Meeting of the International Cotton Advisory Committee*, which is expected to be published shortly by the International Cotton Advisory Committee, South Agriculture Building, Washington 25, D.C.



Upon the recommendation of the subcommittee on information and statistics, a resolution was passed to expand the statistics collected by the Committee in order to include data by staple lengths and/or varieties whenever possible. Owing to the marked differences in the staple lengths and varieties of cotton grown in different countries, it was considered that this additional information would make a significant contribution to the understanding of the world cotton situation. Also upon the recommendation of the subcommittee on information and statistics, the meeting approved a resolution instructing the secretariat to continue the publication of the *Monthly Review of the World Cotton Situation* and *Quarterly Statistical Bulletin*, and if feasible to complete the special study on the availability and reliability of world cotton prices and quality data begun in 1951-52.

At the final session of the meeting, the Committee unanimously reelected E. D. White of the United States as chairman of the standing committee to serve until convocation of the Twelfth Plenary Meeting. The Committee also accepted the invitation of the United States to hold the twelfth meeting at Washington in the second half of April or the first half of May 1953, the exact time to be decided upon later by consultation between the standing committee and the U.S. Government.

• *Miss Wall is an international economist with the Agricultural Products Staff, Department of State. Her article had the benefit of review and comment by Arthur W. Palmer, head of the Cotton Division, Office of Foreign Agricultural Relations, Department of Agriculture.*

## Relation Between Domestic and International Economic Security

*Statement by Isador Lubin*

*U.S. Representative in the U.N. Economic and Social Council*

U.S./U.N. press release dated June 30

It is with particular interest that I speak on the subject of international economic stability. One reason, of course, is the continuing importance of the subject before us. Another reason is personal. It was 2 years ago at Geneva that I made my "maiden speech" as the U.S. representative in this Council, and the subject of that speech was the first experts' report, "National and International Measures for Full Employment."

The Council worked very hard that summer in formulating a series of recommendations to governments which would enable us intelligently to consider the international aspects of the problem of economic instability. The resolution of August 15, 1950, is one of the great achievements of this Council. It is a benchmark of progress, and it reflects the growing enlightenment of public opinion over much of the world. It represents increased recognition by governments that economic changes within their own borders have international impacts.

Despite the achievement represented by that resolution, much still remains to be done. For one thing, we can do a better job of analyzing trends of employment and the trends of international trade and of recommending useful policies to be pursued by governments. But if we are to be in a position to do this most governments will have to be more prompt and thorough in reporting on their economic situation, as requested in the August 1950 resolution. Because of their failure to make the necessary information available, the Secretariat has not been able to present to the Council, in either 1951 or 1952, the kind of summary and appraisal of the employment and balance of payments situation which would enable the Council to have the kind of discussion which might give rise to improved government policies. Perhaps we shall be able to do better this session, when we take up agenda item 4 (a).

Another thing the Council can do is to draw from the latest experts' report, now before us,

"Measures for International Economic Stability,"<sup>1</sup> and from our debates on it, useful recommendations on the international aspects of the stability problem. The resolution of August 1950, supplemented by an amendment of March 1951, recognized the need for further consideration of this subject and asked the Secretary-General to assemble a group of experts "to formulate and analyze alternative practical ways of reducing the international impact of recessions and to give particular attention to the problems of the underdeveloped countries, which are especially vulnerable to fluctuations in international commodity markets and to related fluctuations in the terms of trade."

### Importance of National Action

Before discussing the experts' product in detail I wish to make some general comments. First, I wish to express appreciation to the authors for their labors. The authors place the problem of international economic stability in its proper perspective and ably delimit a possible course of practical action within the framework of existing institutions. They avoid the temptation to devise automatic formulas and organizational blueprints.

In our opinion, the experts are entirely right in saying that *national* measures must be the primary reliance for dealing with economic instability, even in its international aspects. If the International Monetary Fund, for example, is to be of much assistance in the creation of a better world monetary system, national governments must normally avoid inflationary policies which increase the countries' demands for imports and decrease their opportunities for export. A country that maintains a fair degree of stability internally will not spread much instability to other countries. International measures cannot provide internal stability to any significant extent. They can only be helpful as supplementary devices to cushion the international repercussions of recessions temporarily and to smooth the processes of adjustment.

We also agree with the conclusion of the experts that progress has been made toward overcoming economic depressions. It is encouraging to read the experts' prediction that prosperous years will be the rule rather than the exception in the future, and that even in years of recession, prosperity will be "not merely around the corner, but in full view." I share this optimism. The U.S. delegation has frequently set forth the reasons why, in the United States, at least, a disastrous depression like that of the 1930's is highly unlikely. As I explained in some detail in my statement on the world economic situation, the basic factors which make this unlikely are the changes that have occurred in our economic institutions, the structural changes which ameliorate tendencies toward depression,

and most important, the determination of the American people to avoid such a depression.

### U.S. Agrees With Experts

Despite the unlikelihood of a serious recession in the United States or other industrial countries, there can still be, as the experts observe, minor recessions and instabilities in particular industries that will have international repercussions. These instabilities may arise from rapid changes in relative demands as between different industries, rapid technological changes which alter supply conditions, and unforeseen political and military developments. Some of these changes will be temporary and some permanent, and it will often be hard to tell whether they will be one or the other.

In either case, no international economic cushions—whether commodity agreements, flows of capital, or monetary reserves—are going to eliminate the need for national economies, or sectors of them, to adjust to changes. Cushions can ease the difficulties involved in making readjustments, but they cannot eliminate the need for readjustment. Economic life as well as human life generally is a matter of constant adaptation. To seek a stability which is fixed and rigid is not only unrealistic but the antithesis of growth. My delegation sees eye to eye with the experts on this point.

There are one or two general aspects of the report, however, on which our agreement with the experts is less than complete. One is their implication that any previous peak in trade is to be taken as a point of reference for measuring the magnitude of the recession problem. To use such peaks as a point of reference results in exaggerating the size of the problem that must be resolved.

Another deficiency of the report is its failure to say much about reducing the impact of cyclical or other temporary *expansionary* forces. A balanced view of the problems of international economic stability requires not only that recessions be reduced, but that abnormal expansions be checked. We must cushion or counteract the repercussions of both. In final analysis, this would suggest that countries take measures to offset the effects on their economies of abnormal increases as well as abnormal reductions in foreign demand.

For example, countries experiencing rapid increases in foreign sales would often find it in the interest of their economic stability to save their foreign-exchange earnings and institute internal disinflationary measures until the boom subsides. To the extent that they fail to do so and allow the structures of their entire economies to be built up to temporary very high levels of export receipts, one is led to wonder how far they should expect international measures to relieve them of responsibility for the readjustment of national income, imports, and domestic prices which are required when export receipts return to more normal levels.

<sup>1</sup> U.N. doc. E/2156.

Despite these somewhat critical observations, I wish to express my agreement with the general tenor of the analysis and policies recommended by the experts. They recommend that an attempt be made to bring more stability into the primary commodity markets, that we try to avoid large fluctuations in the international flow of capital, and that we utilize national and international monetary reserves to soften the international impact of recessions.

In the view of the U.S. Government, these policies are clearly desirable. I shall now take up the discussion of each of them, starting, first, with the section that deals with monetary reserves.

### **International Monetary Measures**

The experts very properly emphasize the importance of adequate monetary reserves. Unless they are available it will not be possible for countries to maintain a reasonably stable flow of imports and the world will be faced with a periodic tightening of foreign trade and exchange restrictions.

The experts are convinced that nationally-held reserves of convertible currencies and gold are inadequate to meet possible fluctuations in trade and capital flows. They do not go into the reasons for this inadequacy. Nor do they suggest corrective measures which individual governments might themselves be able to take. They might well have urged that governments should make every effort to pursue policies which would help to ameliorate their reserve difficulties. They might have pointed out, for example, the importance of domestic monetary and fiscal policies which would greatly reduce if not eliminate inflationary pressures; they might also have stressed the need for minimizing international exchange and trade barriers. They presumably took the view that they ought to confine their recommendations to the field of international action. One might wish they had directed at least brief attention to the possibilities for national action in this field.

The report deals primarily with the possibilities for supplementing national reserves in time of recession from the resources of the International Monetary Fund. It views the Fund as presently affording only "a comparatively trivial supplement" to national reserves. It submits a number of recommendations for remedying this situation. These recommendations relate, first, to the availability of the Fund's resources, and second, to the size of the Fund's resources.

With respect to the question of availability, the experts emphasize the desirability of making finance available to member countries at the onset of a recession, as cheaply and as freely as possible, in order that the contraction of trade may be retarded. But at the same time, they believe that the Fund's main criterion for lending should be whether the member can be expected to repay. I

have no desire to take issue with the experts on this point. I merely wish to point out that it is likely that at the time of greatest need the expectations of repayment might look the dimmest.

The experts make a number of specific recommendations for increasing the availability of the Fund's existing resources in times of recession. These recommendations are of a somewhat technical nature and I shall not take the time of the Council to discuss them here. The Fund will undoubtedly give them most serious consideration. Moreover, the Fund has recently indicated its intention to pursue lines of policy which go a very considerable distance toward meeting the views of the experts.

I must also point out, Mr. President, that as far back as September 1946 the Fund recognized that it could appropriately use its resources "to give temporary assistance in financing balance-of-payments deficits on current account" during periods of economic recessions. The Fund, Mr. President, has made it evident that it is clearly cognizant of the problem and that it is prepared to take reasonable and practicable measures for dealing with it.

Meeting recession needs for short-term foreign funds is, however, Mr. President, only one of the responsibilities of the Monetary Fund. The Fund can hardly meet its responsibilities by always giving a member that desires to borrow from it the benefit of any doubt as to its ability to repay. The Fund will have to feel its way, like any other organization, considering each application for temporary assistance in the light of the existing circumstances and the basic purposes for which the Fund was created.

With respect to the size of the Fund's resources, the experts recommend they should be increased at the earliest possible moment. Obviously, a larger volume of resources and a willingness, on the part of both the Fund and its borrowing members, to use these reserves freely would help offset the international repercussions of a recession in any of the member countries. It is obvious, also, that the mere availability of a greater volume of resources is no guarantee that a disequilibrium will be corrected. In the absence of domestic monetary and international trade policies designed to correct the disequilibrium, such additional resources could be very rapidly dissipated. Moreover, if the Fund's resources of gold or scarce currencies are to be increased, difficult questions arise as to whether they should be increased in accordance with Fund quotas or by other means.

Since the great majority of the governments represented in the Council are also members of the International Monetary Fund, it would appear that the Fund itself presents the best forum for a detailed discussion of the question of whether its resources would be adequate to cope with the problems that will arise should a recession take place. In our opinion, the present resources of the Fund

are not inconsiderable. But, I do want to make it absolutely clear that if and when a shortage of Fund resources does become imminent, the United States can be counted on to give the matter proper consideration.

### **International Flow of Capital**

In discussing the international flow of capital, their second main topic, the experts concentrate their attention on long-term capital movements for investment purposes.

They point out that since foreign-exchange earnings provide a means for financing imports essential for economic development programs, declines in the foreign-exchange earnings of underdeveloped countries may retard their economic development. If these earnings drop because of a recession in other countries, the underdeveloped countries may be forced either to cut imports for consumption, possibly through the imposition of trade or exchange restrictions, or to cut those imports without which they cannot maintain a steady rate of economic development. The only alternative, it is suggested, is additional long-term foreign financing.

Under present circumstances there is little prospect that the underdeveloped countries could attract additional foreign private investment capital to fill the gap created by a fall in export receipts. Indeed, in times of recession the flow of private capital is more likely to diminish than to increase. In such times, therefore, the underdeveloped countries will have to look mainly to governmental or intergovernmental agencies for the financial aid they need.

The experts suggest that governmental agencies which operate in this field may, to some extent, be able to increase the rate at which they provide development funds in order to meet recession needs. They point out, however, that the scope for such action by national governments is necessarily limited. Accordingly, they turn to the intergovernmental sphere, where in the International Bank for Reconstruction and Development, they find an institution "eminently appropriate" for applying anti-recession policies.

The experts propose that the Bank should stand ready to provide increased outflows of funds to member countries for development purposes whenever these countries experience a decline in their foreign-exchange availabilities because of a recession abroad. They also indicate a number of situations under which the Bank could take action along the lines they propose.

The functions and responsibilities of the International Bank have been discussed in the Council on many occasions. The Council has always taken the view that the Bank should achieve and maintain the highest practicable flow of lending for economic development. The experts are in full accord with this view. They believe, however, that, without departing from this objective, the

Bank should adjust its lending policies to take account of such special needs of borrowers as may arise out of cyclical movements, or, to be more precise, out of economic recessions.

The U.S. delegation has consistently held that the primary function of the International Bank is to provide long-term capital on a continuous and sustained basis for the development of underdeveloped areas. This is still our view. We see some danger of conflict between this objective and anticyclical action. We doubt whether the Bank would base its loan policies to any large extent on anticyclical considerations without danger of conflict with what should be its primary purpose, namely, sustaining continuous economic development in the less developed areas, within the requirements of the principles set forth in its Charter. In other words, we feel that the Bank should not withhold loans in times of prosperity so as to be able to increase its lending in times of recession.

This is not to say that the Bank would not be in a position to increase the flow of its loan funds in the event of a recession. As the experts point out, the Bank may find it possible to accelerate the actual disbursement of the loans it has already committed to particular programs. The extent to which this will be possible will, of course, depend upon the ability of the borrowing countries to step up the speed of construction on the projects for which loans have been arranged. To the extent that it will be possible to telescope the period of construction, the actual flow of the Bank's funds will be increased.

It has been suggested also that the flow of funds can be increased in those instances where the Bank finds it possible to enlarge its share of participation in given development projects. There may be cases where, because of a recession, an underdeveloped country may find itself unable to finance as large a part of its development program out of its own foreign exchange resources as it had anticipated. If its long-run prospects are sufficiently good to warrant the assumption of increased foreign debt for development, it may decide to increase the proportion of the program to be financed with loans and to request additional aid from the Bank. By granting the request, the Bank could help to cover a deficiency in the foreign exchange earnings which the underdeveloped country had originally planned to use for financing the particular program.

In this same category is the possibility that the Bank might undertake to help finance development projects which an underdeveloped country had intended to finance entirely out of its domestic resources and foreign exchange earnings.

The experts, however, raise the question of whether the Bank's resources would be adequate to meet these additional demands for loan funds that may arise during a recession. Certainly no one can deny that the time may come when the International Bank will need more funds. As for

the calculable future, the U.S. delegation sees little probability of the Bank's pressing against the limits of its resources. Nor is the Bank unaware of the possible effects of a recession upon its resources. We understand that in periodically considering the problems of financing its future operation it takes into account various possible conditions, including a possible recession.

To be sure, the question of the adequacy of the Bank's resources is of concern to this Council. Indeed, this question was the subject of prolonged debate at one of our previous sessions. The problem, however, is one that must be discussed in detail in the Bank, where most of the members of this Council also have membership.

### **International Commodity Arrangements**

Coming now to the section of the experts' report which deals with international commodity agreements, I am certain that no one would take issue with their comments concerning the important part played by extreme swings in the prices of major primary commodities in bringing about general economic instability and of the important effects of such swings on both underdeveloped and more developed countries. These major primary commodities account for about one-third of total world commodity trade. If there were a statistical measure of price instability, there is no doubt that it would show that these commodities account for a far higher share of price instability than their importance in world trade would justify.

The reasons for the extreme instability of the prices of most of the major primary commodities are quite well understood. Their prices tend to react sharply to small changes in supply and demand. For most of them, supplies cannot be rapidly expanded when there is an increase in demand. The consequence is that their prices rise rapidly. Similarly, when there is a reduction in demand, the supplies coming on to the market do not fall off rapidly with the result that there is usually a fast decline in their prices. Moreover, the demand for these materials is of such a nature that when there is a drop in price, demand does not rise very much.

The evidence is fairly clear that the sharp changes in prices of these commodities do not facilitate the functions price changes are supposed to perform in the economic system. Indeed, they interfere with these functions. Increases in demand should stimulate increased production and decreases in demand should discourage production. The rapid changes that take place in the prices of certain raw materials, however, make it impossible for investors and producers to know whether the basic price trend is up or down and whether to plan to expand or reduce their output.

Because of these considerations governments have for a number of years taken the view that primary commodities moving in international

trade deserve special consideration. The Government of the United States believes that it is desirable to take action to limit these large swings in prices. And to accomplish this end, it is prepared to enter into international commodity agreements.

The principal reason why more intergovernmental commodity agreements have not come into being seems to be that the negotiating governments have had great difficulty in agreeing on the substantive elements of the proposed contracts. There are at the present time nearly a dozen international study groups considering the problems of major primary commodities and most of them have commodity agreements in various stages of preparation. For most business transactions, it is customary to say that it takes two to make a deal; for an international commodity agreement it takes many governments, and behind them many interested groups, to make a deal.

We do not believe that any new type of organization machinery would eliminate points of difference that are bound to exist between the bargaining parties. This point was made by the experts. We agree with them.

But an even stronger point can be made. If an effort were made at this time to establish new machinery for dealing with commodity problems, it might even delay the process of discussion and negotiation with respect to individual commodities. The difficulties and delays inherent in the establishment of a new organization should not be incurred unless there is a much clearer case than now exists that the present machinery is inadequate.

In our opinion, the Interim Coordinating Committee for International Commodity Arrangements (ICCICA), as presently constituted, is quite satisfactory. Any government wanting to explore specific intergovernmental commodity arrangement possibilities in an international forum can call on ICCICA and the Secretary-General of the United Nations, in accordance with Ecosoc Resolution 296 (XI), with the assurance of prompt action. ICCICA and the Secretary-General can arrange for individual commodity study groups, whenever they are asked for. And in our opinion, study groups are the most effective devices for considering the feasibility of commodity agreements and for laying the groundwork for their negotiation.

Incidentally, I should like to note that ICCICA has recently completed another of its excellent reports on the world commodity situation, and I should like to compliment the Secretary-General for having as secretary of ICCICA the very able Perce R. Judd of Australia.

### **Agreed Set of Principles Available**

Not only do adequate organizational arrangements exist to facilitate the negotiation of international commodity agreements, but there is also

available to the prospective negotiating governments the benefit of an agreed set of principles recommended by this Council to guide them. These principles are those contained in chapter VI of the Havana Charter, negotiated under U.N. auspices, and endorsed by Ecosoc as a general guide in 1947, an endorsement which was reaffirmed at our 13th session in 1951.

These principles serve, among other things, to eliminate what might be almost endless arguments as to the appropriateness of any proposed commodity agreement in the light of other international obligations.

It is our view that further general studies of commodity arrangements or attempts to devise multicommodity stabilization schemes, or international price parity schemes, such as the World Food Board proposed in 1946, would actually delay rather than expedite the conclusion of agreements for dealing with primary commodity instabilities. If I may be permitted to quote the experts on this question of international parity schemes: "We believe that no such scheme ('some kind of systematic international 'parity price' scheme') would be either practicable or desirable." And the experts advance sound reasons for this position (paragraph 44), which I shall not repeat.

I think that most persons who have actually been involved in commodity agreement negotiations, as well as those who worked on the Havana Charter for so long, will agree that there is no possibility of successful negotiation of a commodity agreement covering many commodities at the same time. Furthermore, we believe that the interests of the countries directly and importantly concerned with particular commodities would be better protected in single-commodity negotiations.

### Financial Burdens

You will recall that the experts have a good bit to say about different kinds of commodity agreements. The U.S. Government shares the view of the experts that commodity arrangements should minimize direct controls over production and trade and that the purpose of an agreement should not be to alter the long-term trend in the price of the commodity. In our opinion, no attempt should be made to prejudge, on general grounds, the kinds of agreements which would be appropriate to meet the purposes of producers and consumers of particular commodities, except, of course, as chapter VI of the Havana Charter provides general guiding lines.

By way of illustration, almost any commodity agreement imaginable has financial burdens, and we should think that these burdens, including those involving stocks, should be borne by the participating parties. Hence we feel it would not be wise to ask the International Bank to tie up its funds either actually or on a contingent basis in investments in stocks of primary commodities.

The effect might well be to reduce the volume of the Bank's loan funds available for development purposes.

In summarizing the views of the Government of the United States on the matter of commodity agreements, the essential facts I should like to emphasize are the following:

*First*, we recognize that extreme swings in prices of major primary commodities present difficult problems for nearly all countries. *Second*, it is our belief that international commodity agreements, negotiated in accordance with the principles and procedures approved by this Council, can make a significant contribution to the reduction of price instability for primary commodities.

*Third*, we are convinced that more commodity agreements will be negotiated only when governments can resolve their specific points of difference with respect to particular proposed agreements. *Fourth*, it is our opinion that the present organizational machinery is entirely adequate for facilitating the negotiation of agreements, and that new machinery would not ease the problems of negotiation.

Finally, the U.S. Government is prepared to cooperate fully in discussions and negotiations for international commodity agreements for primary commodities on an individual commodity basis whenever there is reasonable hope of success.

Whenever any country, either buyer or seller, is genuinely interested in an agreement for a particular commodity, it can request the ICCICA and the Secretary-General of the United Nations to arrange for the organization of a study group, or a conference on the basis of thorough work by a study group. Whenever the United States has a legitimate interest either as a producer or as a consumer of such a commodity, it will gladly participate in such a study group or conference.

### Conclusion

By way of a brief general conclusion on the experts' report, I do want to say again that in the opinion of my delegation the experts have rendered an excellent public service in producing this report. Our understanding of the problems of international economic instability will be definitely advanced as a result of their work.

In the opinion of the U.S. delegation their report makes doubly clear the fundamental importance of governments taking appropriate action to maintain domestic full employment and economic stability, if international economic stability is to be maintained. It also reveals the importance of governments reporting more fully and more promptly on the domestic and international aspects of their economies as requested in the Council's basic resolution.

Mr. President, it may have come as a surprise to members of the Council that throughout this discussion I have made no reference to the statement

made by the experts that the real danger to the economic stability of the rest of the world lies in the United States.

To my mind, Mr. President, this is an example of a mythological type of thinking that has been popular in many quarters since the Great Depression, a type of thinking that refuses to recognize that that depression had its source in circumstances that no longer exist.

Today—and I cannot emphasize this too strongly—the circumstances that prevailed in the late twenties do not exist. I can only attribute the persistence of the myth that they *do* continue to exist to the fact that too few people outside this country fully realize the extent to which stabilization has been built into the United States economy in the past two decades.

I referred at some length to the stabilizers that we have incorporated into our economy, when I discussed the world economic situation. I referred to them again a few minutes ago, when I said that, "A disastrous depression like that of the 1930's is highly unlikely."

Such a disaster is highly unlikely, Mr. President, because we now have a better money and banking system than we did 20 years ago. We have a better tax structure, a better system of farm aid, a better system of collective bargaining between unions and management, a better wage and income structure, a more equitable distribution of incomes, and a better system of social security benefits. And, added to these, we have something else. We have a national frame of mind radically different from the one which made possible, and at the same time, was unable to deal with the disaster of 1929.

As a result of that disaster, millions of American families, thousands of corporations, and even many communities and states were either close to bankruptcy or in fact bankrupt—frequently because of insolvency of other people, firms, or banks. Thus every American, no matter what his job or financial situation, became painfully aware of the need for economic stabilizing devices. This awakening cut right across the fabric of the American society. It was apparent—and continues to be apparent—in all geographic areas, and on every level of American economic life. The result has been that structural changes have been made possible which, though long recommended by far-seeing economists, might never have taken place.

There is always present, of course, the possibility of minor recessions—in the United States, as elsewhere. I certainly have no desire to underestimate the relationship of the United States economy to that of the rest of the world. But, in this connection, I would like to point out that even

in the recession of 1949—a recession that can be attributed very largely to the United States—the magnitude of the adverse effects on other countries came not so much from the variation in demand in the United States as it did from the weakness of the balance-of-payments situation in other countries, and the rigidity of the structure of their economies.

If I may pursue this line of thought a little further, most of us will agree, I am sure, that variations in capital movements and unilateral financial transfers also play their part in bringing about economic instability. I do not deny—although I regret—that some of these changes in capital movements have started in the United States. I would like to point out, however, that for more than 20 years—and for reasons well known to all of us—abrupt movements of capital have occurred on a very large scale. Some of these movements may properly be described as capital flights. Most of these flights originated in areas outside of the North American Continent and have taken place for reasons which had nothing to do with the United States.

And may I suggest a final thought in regard to locating the primary sources of violent economic instability? We will all acknowledge, I think, that much of such instability has arisen in connection with wars—or from the threat of wars. I might recall that neither World War I nor World War II originated in the United States; nor did the economic confusion which characterized the early postwar years in many parts of the world.

Mr. President, I have said that it is highly unlikely that a major depression—with all its international concomitants—could again occur in the United States. I have said that recessions, both in the United States and elsewhere, are always conceivable—but that machinery exists, both national and international, with which to deal with them. But I would also like to say that it is hardly conceivable that the world will become so stabilized—so static—that there would be no further need for such adjustments and machinery for bringing them about. In our pursuit of stability we certainly must not hamper the pursuit of economic development, or of economic progress itself. What the world seeks, I think, is more stable progress within the area of an expanding and ever more dynamic world economy. I trust that our work here will contribute to that end.

#### **The U.S. in the U.N.**

A weekly feature, does not appear in this issue.

# Report of U.N. Command Operations in Korea

## FORTY-THIRD REPORT: FOR THE PERIOD APRIL 1-15, 1952<sup>1</sup>

U.N. doc. S/2662  
Transmitted June 13, 1952

I herewith submit report number 43 of the United Nations Command Operations in Korea for the period 1-15 April, inclusive. United Nations Command communiqués numbers 1221-1235, provide detailed accounts of these operations.

No progress was made in resolving the major issues remaining under agenda item 3. The discussion of this item was moved from the staff officer meetings to the sub-delegation level on 3 April. The remaining issues continue to be:

- A. Participants in the neutral nations inspection teams, and
- B. Restriction of the rehabilitation of airfields.

The United Nations Command position on these two issues was explained in United Nations Command reports number 37, 38 and 40 and remains unchanged.

The executive sessions of staff officers on agenda item 4 continued for the first four days of the period with both sides striving for a common ground on which to obtain agreement. As a result of these executive sessions, it was agreed by both sides to recess for the purpose of developing additional information and data relating to Prisoners of War and to reconvene as soon as such data was available.

The period was also accompanied by the usual vicious propaganda attacks by the Communists on the United Nations Command treatment of Prisoners of War. The record of humane treatment of Prisoners of War by the United Nations Command leaves no room for doubt as to the falshood of these charges. The United Nations Command has at all times invited full and impartial investigations of its Prisoner of War camps and the International Committee of the Red Cross has frequently conducted such investigations. On the other hand, the Communist leaders continued unequivocally to refuse to allow such impartial investigations of their Prisoner of War camps. They have also refused to accept the official impartial reports of the International Committee of the Red Cross as valid.

<sup>1</sup>Transmitted to the Security Council by the acting representative of the U.S. to the U.N. on June 13. Texts of the 30th, 31st, and 32d reports appear in the BULLETIN of Feb. 18, 1952, p. 266; the 33d report, *ibid.*, Mar. 10, 1952, p. 395; the 34th report, *ibid.*, Mar. 17, 1952, p. 430; the 35th report, *ibid.*, Mar. 31, 1952, p. 512; the 36th and 37th reports, *ibid.*, Apr. 14, 1952, p. 594; the 38th report, *ibid.*, May 5, 1952, p. 715; the 39th report, *ibid.*, May 19, 1952, p. 788; the 40th report, *ibid.*, June 23, 1952, p. 998; the 41st report, *ibid.*, June 30, 1952, p. 1033; and the 42d report, *ibid.*, July 21, 1952, p. 114.

The status of agenda item 5 remains unchanged. The United Nations Command delegation is still awaiting a Communist call to reconvene at the staff officer level, to incorporate into the armistice agreement the agreed article as reported in United Nations Command report number 40.

Hostile forces launched three relatively large-scale local attacks against United Nations Command positions early in the period. Except for these unsuccessful local attacks, the enemy limited his activities, as in the recent periods, primarily to the interception of United Nations Command patrols. The enemy's patrols seemed to be confined almost exclusively to the hours of darkness and consisted of widely scattered exploratory attacks involving small units of platoon size or less. Front lines and enemy troop dispositions remained unchanged.

The most aggressive enemy action of the period occurred on the western front when an enemy regiment attacked United Nations Command positions in the Hungwang vicinity. Although supported by artillery, the attacking enemy elements were able to dislocate only one United Nations Command forward position, which was immediately restored by counter-action. Another relatively large scale attack was attempted in the Kigong area when an enemy battalion made several attempts to penetrate United Nations Command positions. Despite the strongest artillery support of recent periods these enemy efforts were totally ineffective.

The most prominent hostile action on the central and eastern fronts occurred on 1 April in the Yulsa area. In this action, the enemy employed a force greater than battalion size in a persistent but fruitless effort to penetrate a one and half mile sector south of Yulsa. The hostile units abandoned their efforts and withdrew after two and half hours of heavy fighting. This thrust constituted the sole departure from the enemy's otherwise defensive attitude on these fronts. Forward units, however, did not hesitate to maintain generally effective resistance to the numerous United Nations Command patrols which continuously prodded hostile front-line positions. The majority of these United Nations Command-initiated patrol clashes were fought in the Talchon-Nulguji area of the eastern front. The hostile patrolling effort, which failed to approximate that of United Nations Command units, continued to consist of sporadic probes against United Nations Command positions during darkness by small hostile units. In a number of instances these enemy units failed to reach their objective area as a result of interception by United Nations Command patrols.

Hostile vehicle movement, Prisoner of War statements, and other lesser indications attest to the enemy's effort to improve the combat effectiveness of his units. From these activities it is clear that he is prepared for a continuation of hostilities. His manpower, equipment and supplies are sufficient to launch a major offensive.



Nevertheless, the enemy's attitude at the close of the period remained primarily defensive.

United Nations Command carrier-based aircraft operated from the fast carriers in the Sea of Japan against Communist transportation facilities and supply routes in North Korea. Jet and conventional-type planes concentrated their attacks on the vulnerable rail lines along the Korean east coast. Rail lines were cut in many places; and bridges, by-passes and rail cars were demolished. Additional damage inflicted on enemy facilities included the destruction of buildings, vehicles, trucks, boats and gun positions.

United Nations Command Naval aircraft, operating from carriers based in the Yellow Sea, furnished cover and air support for the surface units on blockade patrols and anti-invasion stations. They also flew reconnaissance missions and offensive strikes as far north as Hanchon and into the Chinnampo area, the Hwanghae Province, along the north bank of the Han River and in close support of the United Nations Command ground forces. Supply buildings, ox carts, bridges, stacks of supplies, shipping and gun positions were destroyed. Enemy casualties were relatively high.

Patrol planes conducted daylight reconnaissance missions over the Sea of Japan and the Yellow Sea. They also flew day and night patrols and weapon reconnaissance missions for surface units in the Japan and Yellow Seas.

Surface units on the east coast furnished fire support for United Nations Command ground forces. With support from shore fire control parties as well as from air observers, United Nations Command vessels demolished bunkers, buildings, artillery pieces and other equipment, and troop shelters. They inflicted many casualties. On one occasion, enemy artillery fire more than eighteen miles inland was stopped as the result of Naval gunfire.

The Naval blockade continued along the east coast from the line of contact to Chongjin with surface units making day and night coastal patrols. Patrol vessels fired on key rail targets along the coast daily, maintaining rail cuts and blockading tunnels at several strategic points. Vessels continued the siege of the major ports of Wonsan, Hungnam and Songjin, conducting day and night bombardment of enemy positions, transportation and industrial facilities. The enemy was also denied the use of his coastal waters for shipping and fishing.

Enemy shore batteries were active on eight different days in the Wonsan area. In one instance a United Nations Command vessel received one hit on the starboard bow, suffering no personnel casualties and only insignificant material damage. Prompt counterbattery fire scored hits on the offending gun. In another instance, an engagement was fought between enemy shore batteries and friendly surface craft. The battle began when minesweeping vessels working inshore were taken under small arms fire from Kalma Gak. United Nations Command ships opened fire on these positions and were then taken under fire by three enemy shore batteries. No hits were scored on friendly ships although there were several near misses. At Chongjin enemy batteries opened fire on a minesweeper while she was checksweeping. Counterbattery fire destroyed several gun positions and scored hits on others.

On the west coast, United Nations Command surface units manned anti-invasion stations along the coast from Chinnampo to the Han River estuary, in support of the friendly islands north of the battle line. During darkness, enemy positions and invasion approaches were illuminated and all signs of enemy activity were taken under fire. Daylight bombardment of enemy positions started many fires, inflicted casualties and destroyed troop shelters and buildings.

United Nations Command minesweepers continued operations to keep the channels, gunfire support areas and anchorages free of mines of all types. Sweepers also enlarged areas needed by the operating forces.

Ships of the amphibious forces, Naval auxiliary, Military Sea Transport Service and merchant vessels under contract provided personnel lift and logistics support for the United Nations Naval, Air and ground forces in Japan and Korea.

United Nations Command Air Forces continued their attacks against the lines of communication in North Korea. Selected segments of rail trackage on the principal routes were destroyed by light bombers and fighter bombers in round-the-clock operations conducted to maintain continuous disruption of the lines. These attacks were augmented by medium bomber strikes against key rail bridges. These operations were successful in keeping most of the enemy's major rail lines out of commission for considerable periods of time. Sightings of enemy aircraft in northwest Korea were slightly higher than previously reported. Twenty-five enemy aircraft were destroyed and twenty-eight damaged by United Nations Command interceptor aircraft on counter air missions.

Fighter bombers, in continuation of the interdiction program, cut the rail lines from Kunu-Ri to Huichon, Sonchon to Sinanju, Pyongyang to Sinanju and in the Sonchon area. On three occasions large concentrations of fighter bombers attacked a limited stretch of track during a twelve-hour period. The concentration of fighter bombers on one target has resulted in a decrease in friendly losses due to ground fire.

In addition to interdiction missions, the United Nations Command fighter bombers flew in support of the United Nations Command ground forces, destroying supply buildings, gun positions, and bunkers as well as inflicting troop casualties.

As most of the airfields in North Korea remained un-serviceable, the medium bomber effort was concentrated on key rail bridges, with the bridges at Sinanju, Kwaksan, Chongju and Shihungdong destroyed. Medium bombers also flew close support missions under control of ground radar installations and night leaflet missions over troops and civilians in North Korea.

A special mission of medium bombers attacked the Kujangdong supply complex after reconnaissance revealed a buildup of stock piles and anti-aircraft defenses in the area.

Enemy air activity continued to be sporadic. Daily sightings of MIG-15 aircraft varied from zero to 3S2. The enemy pilots appeared reluctant to engage the United Nations Command interceptors and often did not return fire when attacked. The enemy continued to vary his operations, with many aircraft reported as flying at low altitudes. All engagements, however, took place at the usual high altitudes. One enemy jet was observed in the vicinity of Suwon and Kimp'o conducting what was believed to have been a reconnaissance mission. Type-15 jet aircraft were observed periodically and two of these aircraft were damaged in aerial combat. The pilots of the type-15 aircraft were usually more aggressive than the MIG-15 pilots. Suggesting that they may be from a more highly trained unit.

Night intruder aircraft continued armed reconnaissance of the main supply routes in enemy territory and assisted the fighter bombers by attacking rail lines during the hours of darkness. The timing of the attacks was planned to disrupt repair work on cuts made during the day.

Tactical reconnaissance aircraft maintained constant coverage of key rail and highway crossings, other enemy targets and flew photographic missions to determine the status of markings on Prisoner of War camps. On 3 April, markings were discovered on the Prisoner of War collection point at Yuhyon-Ni, and photographs taken on 6 and 8 April showed markings on camps number ten and number eight.

United Nations assistance to Korea in economic rehabilitation is a major theme of current United Nations Command leaflets and radio broadcasts. These media are publicizing the extensive non-military aid being given to the Republic of Korea by individual member states of the United Nations and the progress of the organized relief

and rehabilitation programs of the United Nations agencies in Korea. The contrast between United Nations action and Communist negligence in the field of public health is receiving particular attention in all United Nations Command media. In this manner, efforts are being made to show the People of North Korea the real reasons for Communist rejection of the International Committee of the Red Cross and World Health Organization offers of assistance in bringing disease conditions under control.

The Unified Command Mission to arrange financial, economic, and possibly other agreements with the Republic of Korea arrived in Tokyo from Washington, 8 April 1952. The Chief of the Unified Command Mission is the Honorable Clarence E. Meyer. The mission attended briefings at General Headquarters, United Nations Command, in Tokyo and proceeded to Pusan 13 April 1952.

## Crude Sulphur Allocation

The Sulphur Committee of the International Materials Conference on July 18 announced the allocation plan of crude sulphur for the last 6 months of 1952, unanimously accepted by its member governments. The Committee has agreed that half of the quantities set out in the table below<sup>1</sup> constitutes the allocation for the third quarter, and the other half constitutes the allocation for the fourth quarter, with the proviso that the Committee may review the allocation for the fourth quarter.

Sixteen governments are represented on the Sulphur Committee. They are Australia, Belgium (representing Benelux), Brazil, Canada, France, the Federal Republic of Germany, India, Italy, Mexico, New Zealand, Norway, Sweden, Switzerland, the Union of South Africa, the United Kingdom, and the United States.

In 1950 and in the first half of 1951, before the first of the Sulphur Committee's plans of international distribution, consumption exceeded production by 7.8 percent and 8.3 percent, respectively. This led to a serious reduction in world stocks. Since July 1951, however, as a result of the Committee's allocations, consumption has virtually been brought into line with production and the severe drain on stocks halted. This, however, has meant a reduction in consumption below the level of demand. Production in the last half of 1952 is estimated at an annual rate of 6,400,000 long tons, compared with 5,900,000 in 1950, and 6,140,000 in 1951. However, although production in the last half of 1952 is expected to increase to 3,200,000 long tons, it still falls short of requirements which are estimated at 3,830,000 long tons.

The Committee agreed to make arrangements whereby domestic users in the United States or in other countries may purchase any sulphur allo-

cated to other countries participating in the Imc and not used by any such participating country.

As on previous occasions, the Committee dealt only with crude sulphur and did not allocate the relatively small quantities of refined sulphur which enter into international trade. The Committee expects, however, that trade in refined sulphur will continue to follow the normal pattern.

## Conference on American Studies Opens at Cambridge University

Press release 542 dated July 10

A 6-week Conference on American Studies was officially opened on July 10 at Cambridge University under the auspices of the U. S. Educational Commission in the United Kingdom. The 65 British professors taking part in this conference, the first of its kind to be held in England, will be welcomed by American Ambassador Walter S. Gifford, and the American professors who are to conduct the lecture series will be welcomed by Lord Tedder, Chancellor of Cambridge University.

The American lecturers at the conference and the subjects they will discuss are as follows:

- J. B. Brebner, Columbia University—"The Atlantic Migration, 1607-1924"
- H. S. Commager, Columbia University—"The Rise of American Nationalism"
- Merle Curti, University of Wisconsin—"The Development of the American Democratic Idea"
- Allan Nevins, Columbia University—"The United States and Europe 1890-1952"
- M. S. McDougall, Yale University—"The Bill of Rights and Civil Liberties"
- Robert Horn, University of Chicago—"American Government"
- L. M. Hacker, Columbia University—"The Modern American Economy"
- John Hazard, Columbia University—"American Developments in the English Common Law"
- Alfred Kazin, The New School for Social Research—"The American Tradition and the Minority Group 1880-1952"

Other speakers will be Herbert Agar, author and publicist, on "The United States Constitution and Foreign Policy"; D. W. Brogan, professor of political science at Cambridge University, on "Materials for Research in American History and Institutions in Great Britain"; Prof. H. G. Nicholas of Oxford University, on "American and British Elections: a Comparison."

A second session on American studies for 42 British high-school history teachers from the United Kingdom will follow the conclusion of the present conference.

<sup>1</sup> Not printed here; see IMC press release of July 18.

## **Communiqués Regarding Korea to the Security Council**

The Headquarters of the United Nations Command has transmitted communiqués regarding Korea to the Secretary-General of the United Nations under the following United Nations document numbers: S/2646, May 27; S/2647, May 28; S/2648, May 29; S/2651, June 2; S/2653, June 4; S/2654, June 4; S/2655, June 5; S/2656, June 6; S/2658, June 10; S/2659, June 11; S/2660, June 11; S/2661, June 12; S/2665, June 16; S/2666, June 16; S/2668, June 18; S/2669, June 18; S/2670, June 19; S/2676, June 24; S/2677, June 24; S/2678, June 24; S/2680, June 25; S/2681, June 27; S/2682, June 27; S/2683, June 30; S/2686, July 1; S/2691, July 7.

## **U. S. Delegations to International Conferences**

### **International Red Cross**

On July 22 the Department of State announced that the eighteenth conference of the International Red Cross will be held at Toronto, Canada, from July 26 to August 7, 1952. The U.S. Government will be represented by a nonvoting observer delegation constituted as follows:

#### *Chairman*

Charles Burton Marshall, Policy Planning Staff, Department of State

#### *Members*

Thompson R. Buchanan, Division of Research for Eastern Europe and the U.S.S.R., Department of State

Augustus Sabin Chase, Division of Research for Far East, Department of State

Alice B. Correll, Division of Protective Services, Department of State

Thomas J. Cory, Adviser on Security Council Affairs, U.S. Mission to the U.N., New York

John E. Dwan, II, Maj., U.S.A., Department of Defense, Washington

Clarence Hendershot, Office of the Assistant Secretary for Public Affairs, Department of State

Robert J. G. McClurkin, Deputy Director, Office of Northeast Asian Affairs, Department of State

Edward V. Roberts, Office of the Assistant Secretary for Public Affairs, Department of State

Raymond T. Yingling, Assistant Legal Adviser for European Affairs, Department of State

#### *Technical Secretary*

Robert G. Efteland, Committee Secretariat Staff, Department of State

**August 4, 1952**

The conferences in this series, customarily held at 4-year intervals, are organized by the International Red Cross in collaboration with the League of Red Cross Societies, an association of national Red Cross organizations. Invitations to participate in the conference have been issued by the International Red Cross to all national Red Cross societies, to governments which are parties to Red Cross conventions, to specialized agencies of the United Nations, and to nongovernmental organizations interested in the humanitarian activities of the Red Cross. Since it is not expected that any issues will arise at the Conference which would require direct governmental action, a number of the governments which have been invited will be represented by observers.

### **Inter-American Commission of Women**

The Department of State announced on July 22 that the U.S. delegation at the eighth general assembly of the Inter-American Commission of Women, to be held at Rio de Janeiro on July 23 to August 10, is as follows:

#### *Delegate*

Mary M. Cannon, Chief, International Division, Women's Bureau, Department of Labor, and U.S. Delegate, Inter-American Commission of Women

#### *Alternate Delegate*

Gladys Dorris Barber, c/o Counselor, U.S. Embassy, Lima, Peru, and (Former Member, Governor's Commission on Child Labor, Annapolis, Md.)

The Commission, which was created in 1928, is an advisory body composed of representatives of the governments of the 21 American Republics. It works for the extension of civil, political, economic, and social rights for the women of America, making recommendations to the Organization of American States (OAS) and to the governments of the American Republics. The Commission cooperates closely with other inter-American organizations and with organizations of world-wide scope which have similar objectives. The assembly, which meets annually, held its seventh session at Santiago, Chile, May-June, 1951.

At the forthcoming session, delegates will discuss the action taken on the work plan and the resolutions approved at the assembly in Chile. Items on the agenda include consideration of the actual situation of women in the Americas in regard to civil and political rights, further ratification of inter-American conventions affecting women, ways to encourage recognition of women in public and professional life and in international organizations, assurance of equal pay for equal work for women, and cooperation with the U.N. Commission on the Status of Women.

## THE DEPARTMENT

### Appointment of Officers

Robert F. Woodward as Chief of the Division of Foreign Service Personnel, effective July 17.

### Point Four Appointments

Omar B. Pancoast, Jr., as Director of Program Planning, Technical Cooperation Administration, effective July 15.

William J. Hayes as Country Director for Afghanistan.

## THE CONGRESS

### Aid to Denmark To Continue

White House press release dated July 25

*The President on July 25 sent the following identical letters to Kenneth McKellar, Chairman, Committee on Appropriations, United States Senate; Richard B. Russell, Chairman, Committee on Armed Services, United States Senate; Tom Connally, Chairman, Committee on Foreign Relations, United States Senate; Clarence Cannon, Chairman, Committee on Appropriations, House of Representatives; Carl Vinson, Chairman, Committee on Armed Services, House of Representatives; and James P. Richards, Chairman, Committee on Foreign Affairs, House of Representatives:*

DEAR MR. CHAIRMAN: On July 7, a Danish shipbuilding firm delivered to the Soviet Union a 13,000-ton petroleum tanker. Tankers of this category have been listed by the Administrator of the Mutual Defense Assistance Control Act as items of "primary strategic significance". Under Public Law 213, 82nd Congress, I am therefore required to terminate all military, economic and financial aid to Denmark or to direct the continuation of such aid if termination would "clearly be detrimental to the security of the United States".

I have considered this problem with great care and Mr. W. Averell Harriman, the Administrator of the Mutual Defense Assistance Control Act, has gone into it exhaustively with all Government agencies concerned, including the Departments of State and Defense and the United States civil and military chiefs in Europe.

The issues presented by this case go far beyond the carrying capacity of an oil tanker and the physical volume of United States aid to Denmark. They go to the very heart of our mutual security program.

The United States Government is fully aware that the community of free nations can realize

its potential strength only through common actions that have been agreed upon freely by equal partners after democratic exchange of views. Over the past several years, we, and the other NATO countries have made important reductions in strategic trade with the Soviet bloc. The United States has taken and will continue to take the lead in seeking to prevent the shipment of any commodities that would add significantly to the military strength of the Soviet Union and its satellites.

Denmark is a small nation that lives in the shadow of a powerful and unfriendly power. It has a long tradition of neutralism and has not, in recent history, maintained substantial armed forces. In 1949, the Danish people supported the courageous decision of their government to enter the North Atlantic Treaty Organization and join together with the other western democracies in common defense against the threat of Soviet aggression. The Danish Government has collaborated consistently with the United States and other free nations in the common effort to eliminate from their trade with the Soviet bloc those items that would contribute significantly to the armed potential of the Soviet Union and its satellites.

The Danish Government does not dispute the strategic value of the tanker in question. However, the Danish Government has considered that it was legally obligated to permit delivery of the vessel. Delivery of the tanker was called for by a trade agreement signed in 1948; and a firm contract with a Danish shipbuilding firm was signed in 1949, before the communist aggression in Korea and long before the Battle Act was in existence. The Danish Government has emphasized to the United States Government that it traditionally has maintained the sanctity of international commitments and has pointed out the possible impact on its relations with the Soviet bloc of a violation of the trade treaty. The United States Government recognized the strength of the Danish position in this regard. In our own dealings with other nations, we have consistently recognized the importance of honoring international commitments in the belief that such a policy provides one of the best means of securing a world peace.

The United States Government felt very strongly, however, that the aggressive intentions of the Soviet Union, as revealed in the communist attack on the Republic of Korea and the continuation of the Kremlin's campaign of threat and hatred against the free world, overrode the legal considerations involved in the proposed transaction. This view was forcefully presented to the Danish Government, because we felt that the security interests of the United States and those of Denmark were identical in these matters and would be best served by non-delivery of the tanker. The United States Government still holds this view and deeply regrets the delivery.

The Battle Act directs me to consider whether

the termination of aid would "clearly be detrimental to the security of the United States." In arriving at my decision, I have considered the following factors:

1. By virtue of its geography, Denmark occupies an important position in the strategic plans formulated by SHAPE for the defense of western Europe and therefore of the United States. It commands the exit from the Baltic Sea to the Atlantic Ocean and its participation is thus essential to the success of any plan to keep the Soviet submarine fleet from operating from the Baltic in the event of war. In addition, Denmark exercises political jurisdiction over Greenland, an important bridge between North America and the European continent on which the United States Air Force now maintains strategic bases, important to the air and naval defense of North America.

2. Denmark is contributing directly to the defense build-up of the NATO powers. A substantial part of the ground forces assigned by SHAPE to the northern flank of the European defense system is being provided by Denmark, in addition to air and naval units being contributed to the NATO forces. Members of the Danish Government have indicated recently that they are considering revision of a long-standing policy against the presence of non-Danish forces on Danish territory in order to make available to NATO forces certain facilities which would contribute greatly to the defensive strength of the Atlantic area. Danish contributions to the common defense could not be met without American assistance.

3. The Danes require certain vital imports, notably coal and potash, from the Soviet bloc. The dependence of the Danes on imports from the Soviet bloc is reduced substantially by American aid. Without the aid, Denmark would be forced to seek more of its imports from the Soviet bloc and, in return, would have to make greater exports. The most effective export which Denmark could offer would be ships and ship repair services, and Soviet bloc negotiators would be in a strong position to bargain for increased deliveries of tankers and other vessels. Termination of United States aid would therefore result in a greater rather than diminished flow of strategic goods and services to the Soviet bloc.

4. For some years, the Danish Government has cooperated consistently with the United States and other free governments in the development of collective programs to eliminate or curtail the shipment of strategic commodities to the Soviet Union and its satellites. The Danish Government now operates a comprehensive system of export controls and has again reassured the United States Government of its intention to continue to collaborate fully in international efforts to eliminate strategic trade with the Soviet bloc. The delivery of the tanker in question was not the result of any laxity in the Danish system of controls but rather, as pointed out above, was due to the fact that the

Danish Government regarded its delivery as required by legally binding commitments made prior to the time these international efforts were instituted.

5. The security of the United States is squarely based on the unity of the western world and the continued strengthening of its joint institutions, particularly the North Atlantic Treaty Organization. It is a primary political and propaganda objective of the communist bloc to weaken those institutions and to drive a wedge between the democratic allies which have joined together for their common defense. There can be no question that the termination of United States aid would weaken the structure of Atlantic unity and thus serve the ends of Soviet policy.

6. The Administrator of the Battle Act has recommended to me that aid to Denmark be continued. His recommendation has been supported by the Secretary of State; the Secretary of Defense; General Ridgway; the United States Special Representative in Europe, Ambassador Draper; the United States Ambassador to Denmark, Mrs. Anderson; and other interested Government officials.

On the basis of these considerations, I have concluded that to terminate aid to Denmark would clearly be detrimental to the security of the United States by weakening the defenses of NATO, contributing to the strength of the Soviet Union, fostering the political and propaganda objectives of the communist bloc, and defeating the purposes of the Battle Act. In conformity with Section 103 (b) of Public Law 213, 82nd Congress, I therefore have directed that military, economic and financial aid to Denmark be continued.

As you will realize, many of the details of the considerations involved in this matter are highly classified. Representatives of the Executive Branch will be pleased to discuss this matter further with you and your Committee, if you so desire.

Sincerely yours,

HARRY S. TRUMAN

## Mutual Security Provisions of Supplemental Appropriation Act

### *Statement by the President*

White House press release dated July 15

[Excerpts]

I have today signed H.R. 8370, the Supplemental Appropriation Act of 1953. This is an omnibus measure, appropriating funds for a great many agencies.

In a number of ways, this act falls so far short of what is required in the national interest that I feel I cannot let it go without comment. Fortunately, some of the most drastic and unwise slashes proposed were averted by the Congress

before the act was finally passed. I have been particularly gratified by the determined stand of many Members of the Congress in the days before adjournment, which saved the vital expansion of our atomic energy facilities from disastrous curtailment.

Nevertheless, the act contains a number of appropriation cuts which will seriously hamper our total defense effort. In particular, I am deeply concerned by the slashes in funds for civil defense, for anti-inflation controls, and for our Mutual Security Program.

As for the Mutual Security Program, the Congress has cut almost 25 percent from the program which I recommended last February.<sup>1</sup>

The passage of the mutual security legislation and the appropriations for it included in this act are a reaffirmation of one of the cardinal points of our foreign policy—the achievement of peace through helping to build the collective strength of the free world to resist aggression from without and subversion from within. I am gratified that the Congress had the wisdom to reject many of the crippling amendments which were proposed by those who sought to clothe their all-out opposition to this program with devious and specious devices to destroy it. Nevertheless, it is clear that the amount of this appropriation is inadequate and was arrived at in an effort to present the American people in an election year with the illusion of economy rather than with the reality of an adequate collective defense.

Slashes in funds have been particularly severe in the programs for Europe and for the Indian subcontinent.

Our contributions toward building up the forces of our North Atlantic Treaty partners are but a small portion of the contributions made by our allies, but ours is a critical portion. By virtue of the cuts made by the Congress in the military equipment program and in defense support, the European forces will have less equipment and consequently less fire power and less air cover. As a result, our own forces in Europe become both more vulnerable and less effective in the defense tasks they might be called on to perform. I think the American people should clearly understand that every dollar which has been cut from the amount requested represents a loss of much more than a dollar's worth of strength for the free world.

There has been an equally short-sighted reduction in funds available for the Point Four Program in the new nations of South Asia, including India, Pakistan, Burma, and Indonesia. The original program recommended for this area

<sup>1</sup>The amount recommended by the President was \$7,900,000,000; the final amount appropriated by the Congress was \$6,001,947,750. For text of the President's message, see BULLETIN of Mar. 17, 1952, p. 403.

amounted to 178 million dollars. The amount finally appropriated was slightly over 67 million dollars, or a slash of more than 60 percent. Similar slashes were made in our contribution for technical assistance through the United Nations.

This is an exceedingly dangerous thing for the Congress to have done. Take India for example. India, the largest democratic nation in all Asia, is now engaged in a tremendous effort of her own to build up her economy and living standards—to show that democratic government and democratic methods can succeed in curing the poverty, the hunger, and the misery that afflicts so much of Asia. Every dollar of the aid recommended was to back up the concrete and constructive efforts that the Indians themselves are making. Upon these efforts may well depend the whole future course of freedom and democracy on the continent of Asia.

The cut for these Asian countries is even more cruel because it comes at a time when they are facing severe economic strain—when even Pakistan, normally a country of grain surplus, is facing a grain shortage. The American people should carefully note the strange fact that prominent among the proponents of this cut were some of the very individuals who have shouted loudest that we are not doing enough in Asia.

The cuts in our Mutual Security Program have allegedly been made in the name of economy. To me, this is the falsest kind of economy. I am convinced that such cuts will in the long run cost us much more. I am equally convinced that the Congress itself will eventually recognize the necessity of making additional funds available during this fiscal year to meet the needs of this program.

## Current Legislation on Foreign Policy

- Authorizing the Committee on the Judiciary To Conduct a Study of the Problems of Certain Western European Nations Created by the Flow of Escapees and Refugees From Communist Tyranny. S. Rept. 1671, 82d Cong., 2d sess. [To accompany S. Res. 326.] 2 pp.
- Change in Supplemental Estimates Relating to the Mutual Security Program. H. doc. 512, 82d Cong., 2d sess. 1 p.
- Loan of Certain Naval Vessels to Government of Japan. H. rept. 2195, 82d Cong., 2d sess. [To accompany H. R. 8222] 3 pp.
- Providing for the Removal of Certain Discriminatory Practices of Foreign Nations Against American-Flag Vessels, and for Other Purposes. S. rept. 1752, 82d Cong., 2d sess. [To accompany S. J. Res. 150] 4 pp.
- Loan of Two Submarines to the Government of the Netherlands. H. rept. 2184, 82d Cong., 2d sess. [To accompany H. R. 7993] 3 pp.
- Urgent Deficiency Appropriation Bill, 1952. S. rept. 1780, 82d Cong., 2d sess. [To accompany H. R. 7860] 9 pp.
- Estimates of Appropriation To Carry Out the Purposes of the Mutual Security Act of 1952. H. doc. 510, 82d Cong., 2d sess. 5 pp.
- Extending the Rubber Act of 1948. H. rept. 2168, 82d Cong., 2d sess. [To accompany H. R. 6787] 4 pp.
- Amending Section 3115 of the Revised Statutes. H. rept. 2174, 82d Cong., 2d sess. [To accompany H. R. 6245] 3 pp.

An Agreement Regarding Status of Forces of Parties of the North Atlantic Treaty. Message From the President of the United States Transmitting a Certified Copy of an Agreement Between the Parties to the North Atlantic Treaty Regarding the Status of Their Forces, Signed at London on June 19, 1951. S. exec. T, 82d Cong., 2d sess. 19 pp.

An Agreement Relating to the Status of the North Atlantic Treaty Organization. Message From the President of the United States Transmitting a Certified Copy of an Agreement on the Status of the North Atlantic Treaty Organization, National Representatives and International Staff, Signed at Ottawa on September 20, 1951, Together With a Signed Extract From the Summary Record of a Meeting of the North Atlantic Council Deputies Held on December 12, 1951, Correcting Certain Errors in the French Text of That Agreement. S. exec. U, 82d Cong., 2d sess. 15 pp.

An Act To assist in preventing aliens from entering or remaining in the United States illegally. Pub. Law 283, 82d Cong., Chapter 108, 2d sess., S. 1851. 2 pp.

An Act Authorizing Vessels of Canadian Registry To Transport Iron Ore Between United States Ports on the Great Lakes During 1952. Pub. Law 409, 82d Cong., Chap. 458, 2d sess., S. 2748. 1 p.

An Act To Extend the Rubber Act of 1948 (Pub. Law 469, 80th Cong.), as Amended, and for Other Purposes. Pub. Law 404, 82d Cong., Chap. 453, 2d sess., H. R. 6787. 1 p.

Departments of State, Justice, Commerce, and the Judiciary Appropriation Bill, 1953. S. Rept. 1807, 82d Cong., 2d sess. [To accompany H. R. 7289] 29 pp.

Continuing Until Close of June 30, 1953, the Suspension of Duties and Import Taxes on Metal Scrap. S. Rept. 1830, 82d Cong., 2d sess. [To accompany H. R. 6845] 4 pp.

Providing Funds for the Acquisition and Maintenance of a German Embassy by the Federal Republic of Germany. S. Rept. 1977, 82d Cong., 2d sess. [To accompany S. 2439] 3 pp.

Approving the Constitution of the Commonwealth of Puerto Rico Which Was Adopted by the People of Puerto Rico on March 3, 1952. H. Rept. 2350, 82d Cong., 2d sess. [To accompany H. J. Res. 430] 3 pp.

Concerning Canadian Meeting of the Commonwealth Parliamentary Association. S. Rept. 1985, 82d Cong., 2d sess. [To accompany S. Con. Res. 86 and S. Res. 341] 2 pp.

An Act To Amend the Mutual Security Act of 1951, and for Other Purposes. Pub. Law 400, 82d Cong., Chap. 449, 2d sess., H. R. 7005. 11 pp.

Supplemental Appropriation Bill, 1953. H. Rept. 2316, 82d Cong., 2d sess. [To accompany H. R. 8370] 70 pp.

Importation of Wild-Bird Feathers. S. Rept. 1832, 82d Cong., 2d sess. [To accompany H. R. 7594] 6 pp.

Immigration and Nationality Act. Message From the President of the United States Returning Without Approval the Bill (H. R. 5678) To Revise the Laws Relating to Immigration and Nationality, and for Other Purposes. H. doc. 520, 82d Cong., 2d sess. 101 pp.

An Act To Authorize the Establishment of Facilities Necessary for the Detention of Aliens in the Administration and Enforcement of the Immigration Laws, and for Other Purposes. Pub. Law 395, 82d Cong., Chap. 442, 2d sess., S. 1932. 1 p.

Estate- and Income-Tax Conventions With Finland and an Estate-Tax Convention With Switzerland. S. Exec. Rept. 13, 82d Cong., 2d sess. [To accompany Executive K, 82d Cong., 2d sess.; Executive L, 82d Cong., 2d sess.; and Executive P, 82d Cong., 1st sess.] 3 pp.

The Prisoner of War Situation in Korea. Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 2d sess. Committee print. 27 pp.

Statement of General Hudelson on Korea. Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 2d sess. Committee print. 3 pp.

Communism in the Detroit Area—Part 2. Hearings Before the Committee on Un-American Activities, House of Representatives, 82d Cong., 2d sess. Mar. 10, 11, 12, and Apr. 29 and 30, 1952. Committee print. 312 pp.

Emergency Powers Continuation Act. Hearings Before Subcommittee No. 4 of the Committee on the Judiciary, House of Representatives, 82d Cong., 2d sess. on H. J. Res. 386, To Continue in Effect Certain Statutory Provisions for the Duration of the National Emergency Proclaimed December 16, 1950, and 6 Months Thereafter, Notwithstanding the Termination of the Existing State of War. Feb. 27, 28, 29, Mar. 6, 7, 12, 13, 21, 24, 26, 28, April 2, 7, 25, 28, 1952. Serial No. 15. 622 pp.

Convention on Relations With the Federal Republic of Germany and a Protocol to the North Atlantic Treaty. Hearings Before the Committee on Foreign Relations, United States Senate, 82d Cong., 2d sess. on Executive Q and R, a Convention on Relations With the Federal Republic of Germany and a Protocol to the North Atlantic Treaty and Related Documents. June 10, 11, 12, 13, 16, and 17, 1952. Committee print. 267 pp.

Departments of State, Justice, Commerce, and the Judiciary Appropriations for 1953. Hearings before the Subcommittee of the Committee on Appropriations, United States Senate, 82d Cong., 2d sess. on H. R. 7289. Committee print. 1828 pp.

Convention on Relations With the Federal Republic of Germany and a Protocol to the North Atlantic Treaty. Report of the Committee on Foreign Relations on Executives Q and R, 82d Cong., 2d sess. S. Exec. Rept. 16. 58 pp.

International Convention for the High Seas Fisheries of the North Pacific Ocean With a Protocol Relating Thereto. S. Exec. Rept. 15, 82d Cong., 2d sess. To accompany Executive S, 82d Cong., 2d sess.] 7 pp.

## PUBLICATIONS

### Recent Releases

*For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.*

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Protocol modifying article XXVI of the agreement of Oct. 30, 1947 between the United States and Other Governments—Dated at Annecy Aug. 13, 1949; entered into force Mar. 25, 1950.

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Supplementary agreement between the United States and Peru—Signed at Lima June 7 and 15, 1951; entered into force June 19, 1951.

Narcotic Drugs, International Control of Drugs Outside the Scope of the Convention of July 13, 1951, as amended. Treaties and Other International Acts Series 2308. Pub. 4389. 48 pp. 15¢.

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Signed at Bogotá April 30, 1948; entered into force December 13, 1951.

Education, Cooperative Program in Ecuador. Treaties and Other International Acts Series 2363. Pub. 4482. 4 pp. 5¢.

Agreement between the United States and Ecuador supplementing agreement of September 15, 1950—Signed at Quito September 27, 1951; entered into force September 27, 1951.

Health and Sanitation, Cooperative Program in Venezuela, Additional Financial Contributions. Treaties and Other International Acts Series 2378. Pub. 4505. 5 pp. 5¢.

Agreement between the United States and Venezuela—Signed at Caracas September 24 and October 30, 1951; entered into force October 30, 1951.

Health and Sanitation, Cooperative Program in Nicaragua, Additional Financial Contributions. Treaties and Other International Acts Series 2379. Pub. 4506. 4 pp. 5¢.

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Technical Cooperation. Treaties and Other International Acts Series 2401. Pub. 4563. 8 pp. 5¢.

Agreement between the United States and Israel—Signed at Hakiryá (Tel Aviv) February 26, 1951; entered into force February 26, 1951.

Security Treaty Between the United States and Japan. Treaties and Other International Acts Series 2491. Pub. 4607. 14 pp. 5¢.

Signed at San Francisco September 8, 1951; entered into force April 28, 1952.

Security Treaty Between the United States, Australia, and New Zealand. Treaties and Other International Acts Series 2493. Pub. 4608. 8 pp. 5¢.

Signed at San Francisco September 1, 1951; entered into force April 29, 1952.

## Check List of Department of State Press Releases: July 21–26, 1952

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington 25, D.C.

Press releases issued prior to July 21 which appear in this issue of the BULLETIN are Nos. 540 of July 9, 542 of July 10, 549 of July 14, 555 of July 15, 556 of July 15, 557 of July 16, 561 of July 18, 562 of July 17, 563 of July 18, 566 of July 18, 567 of July 18, and 569 of July 19.

No.	Date	Subject
*570	7/21	Colombia: Anniversary
*571	7/21	Belgium: Anniversary
†572	7/22	Radio Scientific Union
573	7/22	Commission of Women
574	7/22	Committee on voluntary foreign aid
575	7/22	Red Cross conference
576	7/22	Aide mémoire to Israel
*577	7/23	Newsman receives IIE award
*578	7/23	Exchange of persons
*579	7/24	Palmer: Retirement
580	7/24	Thorp: Economic policy
*581	7/24	Ethiopia: Anniversary
582	7/24	Acheson: Prisoners of war
*583	7/25	Scandinavia Day at Seattle
*584	7/25	Miller: Geography consultation
*585	7/25	Opening of geography session
586	7/26	Bohlen: U.S. foreign policy

†Held for a later issue of the BULLETIN.

\*Not printed.



## 'Field Reporter' To Tell of U. S. Activities Abroad

*Field Reporter*, newest publication of the Department of State, makes its first appearance this week with the 40-page July-August number. Designed to cover all the varied activities conducted by the United States in other countries, the new magazine will be published every second month.

Secretary Acheson has written a foreword to the first number:

"This new magazine tells you about some of the problems of free people and would-be free people everywhere, and about how you, through your Government and private organizations, are helping them to work out solutions to their problems.

"Americans have always believed in helping others. Our desire to help is stronger than ever today. As part of a united effort against hunger, disease, and ignorance, we are sending to all parts of the world a growing number of skilled men and women to work side by side with other peoples. Our technical missionaries, as President Truman has called them, are contributing valiantly to the peace and happiness of the world.

"This magazine tells you of their work, in pictures and in their own words. I hope you will find it interesting and informative."

Howland H. Sargeant, Assistant Secretary of State for Public Affairs, also comments on *Field Reporter*:

"Hundreds of Americans are engaged in Point Four projects throughout the world; many more in this country and overseas participate in the Department of State's International Information and Educational Exchange Program. It was felt that a new medium was needed to report on these greatly expanding phases of U. S. foreign policy.

"Many of the men and women to whose activities this magazine is devoted have exchanged a safe, comfortable way of life for a difficult, often hazardous, existence. Why are they willing to make this sacrifice? I think the reasons will become apparent to you as you read of the friends they are making for America—of the age-old human problems they are trying to conquer—and of a rising spirit of hope the world over."

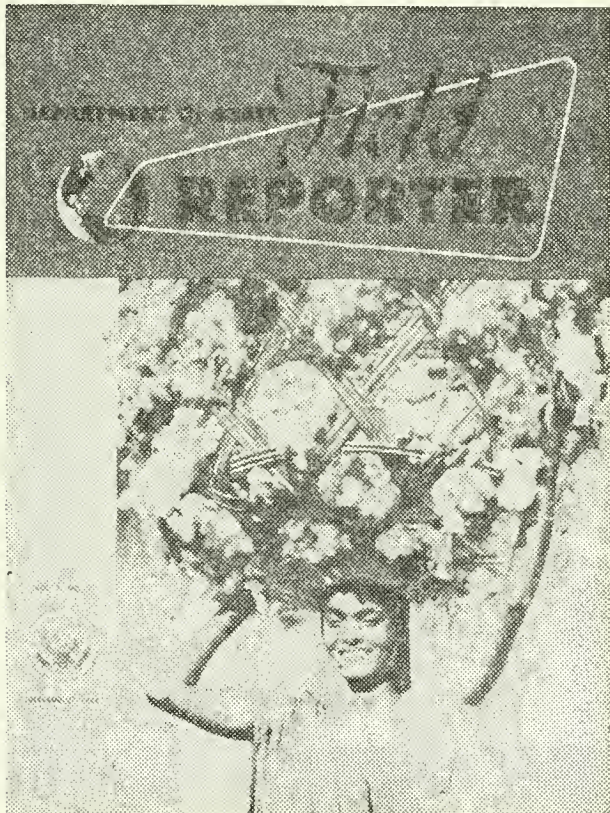
The front cover of the July-August number of *Field Reporter* carries a photograph of a young Indian girl balancing on her head a basket heaped with raw cotton. Inside, the first story is an account by Ambassador Chester B. Bowles of his activities in the Indian capital of New Delhi. Emphasizing the cooperative programs sponsored by the Governments of India and the United States, Mr. Bowles' article appears in the department "From World Capitals."

Presented as companion pieces are stories from Burma which show how two American women, working in completely different fields, have suc-

ceeded in making friends for the United States. Helen Hunerwadel, wife of a former county demonstration agent from Tennessee, began by sharing her homemaking skills with women in a remote Burmese province and ended by establishing a national canning industry. Zelma Graham, a librarian at the U.S. Information Center in Rangoon, was able to assist in the framing of Burma's new constitution by supplying Government leaders with books about the U.S. Constitution.

In "Harnessing Lebanon's Litani River," *Field Reporter* presents an account of a typical Point Four engineering project, whose purpose is to plan a "Iva" for Lebanon and thus increase that country's farming area and food supply.

A picture story contributed from the Philippines shows how children in that country are bene-



Cover of the first issue

fitting from the skills brought back by Philippine teachers and nurses trained in the U.S. under the educational exchange program.

*Field Reporter* is the successor publication to the Department of State *Record*, which began publication in 1945 to tell Americans about their country's international exchange programs—educational, cultural, scientific, and technical.

Subscriptions to *Field Reporter*, at \$1.50 a year, may be obtained by writing the Superintendent of Documents, Washington 25, D. C. Sample copies are available from the Division of Publications, Department of State.

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## The Economic Structure of Pan Americanism

by *W. Tapley Bennett, Jr.*

*Deputy Director, Office of South American Affairs*<sup>1</sup>

In undertaking an assessment of the current state of relations between the United States and Latin America, it is perhaps well to reflect on that maxim which is inscribed in Washington over the entrance to the great building which houses the National Archives of the United States: "The Past is Prologue." For indeed, hemisphere relations today, in addition to reflecting the changes that have evolved in the normal course of historical development, are in a particular sense the result of conscious efforts and consistent policies which have been carried out by the governments and peoples of the 21 American Republics during the last 20 or 25 years.

Let us then review briefly some of those efforts and policies. It is perhaps also incumbent on us to look at some of the developments which, like Topsy, "just grewed." Many people in our country do not as yet realize the full implications of the fundamental changes which have taken place in recent years in the relationships of the United States with its neighbors to the south.

For more than 100 years the attitude of the United States toward Latin America was marked by the unilateral concepts of the Monroe Doctrine. In the early days of this century there was added President Theodore Roosevelt's corollary, and there were the years of the "Big Stick." Our attitudes reached a turning point in the years 1928 to 1936, when we abandoned intervention and adopted the Good Neighbor Policy as our rule of conduct in our relations with the other American Republics.

First there were Ambassador Morrow's mission to Mexico, Secretary of State Stimson's departure from unilateral policies, and President Hoover's preinauguration tour of South America. These

steps, combined with the later and more extensive programs of President Franklin D. Roosevelt, Secretary Hull, and Sumner Welles, effected a thorough-going revision of our methods of dealing with Latin America and were characterized by the relinquishment by the United States of vested positions throughout the area and the adoption of positive programs of cooperation.

In 1934 we abrogated the Platt Amendment which had given us the treaty-right to intervene in Cuba. We withdrew from our military and financial interventions in Nicaragua, Haiti, and the Dominican Republic. We restated our relations with Panama in the treaty of 1936. At the Habana conference, in 1928, the Montevideo conference in 1933, and the Buenos Aires conference in 1936 we voluntarily accepted without reservation the commitment of nonintervention in the internal affairs of other republics of the hemisphere. We accepted the principle of sovereign juridical equality of all the American States. These voluntary liquidations of long-held positions and our acceptance of these principles went far to diminish Latin American distrust and dislike of the United States. They opened the way for the development of a hemispheric solidarity which proved its worth in the searing ordeal of World War II.

### Postwar Years of the Inter-American System

In the postwar years the further development of the inter-American system, which now has more than 60 years of existence, has proceeded apace. In 1947 the Rio treaty, forerunner of the North Atlantic pact, was signed to provide for the military defense of the hemisphere and to prevent aggression within the inter-American community. In the brief lifetime of the Rio pact there has already been strong and effective multilateral ac-

<sup>1</sup> Address made before the Hispanic American Institute at Stanford University, Stanford, Calif., on July 29 and released to the press (No. 592) on the same date.

tion to keep the peace in three instances of serious inter-American dispute.

In 1948, at Bogotá, a charter for the Organization of American States was adopted. This charter may be regarded as the constitution of the inter-American system. In 1951 the Foreign Ministers of the American States, meeting at Washington to consider problems raised by the menace of aggressive international communism, set in motion machinery to resolve economic problems arising out of the preparedness program. The Ministers also decided to base hemisphere defense plans on the principle of collective action and agreed that forces should be developed for specific roles within that concept. Those plans are now in the process of implementation.<sup>2</sup>

The growth of political relationships and interdependence among the American Republics has been accompanied by similar developments in the economic field. With the fastest growing population of any area in the world, the economic growth of Latin America has been dramatically impressive in recent years. While no exact figures on the national incomes of the various countries are available, rough estimates indicate that the national income of Latin America as a whole increased about 100 percent in the 6 years between 1943 and 1949. In that period, Brazil's national income is estimated to have increased from 2.5 billion dollars to 5.9 billion dollars, Chile's from 955 million dollars to 2.3 billion dollars, and Mexico's from 2.1 to over 3 billion dollars. In Colombia, the expansion was from 732 million dollars in 1943 to 1.5 billion dollars in 1947, and other republics showed similar increases. In many countries the rise in national income has been accompanied by a sharp expansion in the volume and rate of domestic capital formation.

These growth figures are reflected in the increase in trade between the United States and Latin America. In 1920, a year of economic prosperity and inflated postwar prices, U.S. imports from Latin America amounted to 1.8 billion dollars. By 1950 they reached 2.9 billion dollars and constituted about 35 percent of all U.S. imports from all sources.

These 1950 imports were significant, not only for their size but also because more than half of them were strategic materials in which the United States is in short supply. Quite aside from its production of sugar, coffee, and bananas, Latin America is the source of 100 percent of our imports of vanadium; more than 95 percent of our imports of quartz crystals and castor-bean oil; more than 80 percent of our imports of crude petroleum and fuel oil, cordage sisal, and vegetable tannin materials; more than 60 percent of antimony, cadmium, and copper; more than 50 percent of beryl, bismuth, and lead; and a significant part of our im-

ports of such products as chromite, manila fibers, fluor spar, manganese, tin, wool, and zinc.

Venezuela, Chile, and Brazil are becoming increasingly important suppliers of two of the basic ingredients of our steel industry—iron ore and manganese. The monumental report issued last month by the President's Materials Policy Commission, a distinguished committee of private citizens headed by William S. Paley, president of the Columbia Broadcasting System, makes it amply clear that we shall be more, not less, dependent in the future on these foreign sources of supply for some of our most essential and vital needs.<sup>3</sup>

#### **U.S. Economic Involvement in Latin America**

The facts on U.S. exports to Latin America are equally striking and emphasize the importance of Latin America to this country's manufacturers and exporters. While in 1930, Latin America absorbed only about 16 percent of our total exports, in 1950 she took 27 percent of them. In 1950 the countries of Latin America purchased about 2.7 billion dollars of U.S. goods. By comparison our exports to Western Europe in the same year were valued at 2.9 billion dollars, nearly 2 billion dollars of which was financed out of Marshall Plan funds. While some of this increase in trade with Latin America is undoubtedly due to wartime dislocations and disruptions in other exporting nations, much of it is due to changes in Latin American demand, brought on by industrialization and increased purchasing power there. These facts provide striking evidence of the importance of industrial development in Latin America to our foreign trade. Latin America in 1950 absorbed about 44 percent of our total exports of automobiles, 40 percent of our exports of textile manufactures, 40 percent of our exports of iron and steel advanced manufactures, 38 percent of our exports of chemicals, and 30 percent of our exports of machinery.

Nor should we overlook the fact that Latin America is extremely important as a field for U.S. foreign investment. Dollar investments have flowed to Latin America since the war at an unprecedented rate, and at the end of 1950 our direct private investments in the area were about 6 billion dollars. Except for Canada, this amount represents something over half of the total of all U.S. private investment abroad. The scope of this economic involvement in Latin America takes on an added impressiveness when we consider the fact that the population of the 20 Republics of Latin America represents less than 7 percent of the population of the world, it having recently, like the United States, passed the 150 million mark.

This tremendous economic growth of Latin

<sup>2</sup> For information on this meeting, see BULLETIN of Apr. 9, 1951, pp. 566-575 and *ibid.*, Apr. 16, 1951, pp. 606-618.

<sup>3</sup> For a summary of the Commission's report, see *ibid.*, July 14, 1952, p. 55.

America in recent years has differed from our own development. In contrast to the steady growth of the industrial structure in this country since the early days of the Republic, there have been sudden and radical changes in the past two decades in Latin America after a more or less static economic structure of long duration. The old agricultural and real estate economy has suddenly felt the impact of a surging industrial development. This surge is not something that has been decided on and imposed from above—it has come about by popular demand. As in other parts of the world, the masses of the people of Latin America are no longer apathetically resigned to lives of grinding poverty, disease, and ignorance. They want more of the good things of life for themselves and greater opportunities for their children. Their determination for a greater share in the benefits of modern society has brought powerful pressures in every country. There is genuine social ferment throughout the region. Governments have become increasingly responsive to the will of the people and universally show a preoccupation with improving the lot of the common man through economic and social development that was unknown two decades ago in many countries. This concern for the public welfare and these plans for economic expansion assume crucial importance when one recognizes that perhaps *the* most critical problem for Latin American countries in the decades immediately ahead is whether living standards and social improvements will go forward fast enough to keep discontent from erupting into extremist excesses or from being made use of by international communism for its own ruthless and imperialistic ends.

### **Operating Arms of U.S. Cooperative Policy**

#### *Chile*

The United States is assisting in these efforts toward economic and social development. In addition to the significant contributions of private enterprise mentioned above, a cardinal point of our foreign policy toward Latin America in the past decade has been our participation in a program of wholehearted cooperation with the other American Republics to improve living standards by increasing production, bettering educational and health conditions, and diversifying economies. Improvement in these fields means stronger and more confident friends and practical and profitable economic relations between us.

The technical cooperation programs of our Institute of Inter-American Affairs in the fields of health, education, and agriculture were already 7 years old in Latin America when the Point Four Program was announced on a world-wide basis in 1949. The loan programs of the Export-Import Bank were begun in 1939 for the financing of industrial activities, transportation needs, high-

ways, and other vital aspects of national development. The World Bank has been operating since the war. Other activities have been carried on for many years in Latin America at the grass-roots level by such Government agencies as our Public Health Service and the Department of Agriculture. These are the principal operating arms of our policy of cooperation. I should like now to discuss some specific examples and results of our program of helping others to help themselves in this hemisphere.

One of the most interesting programs is in Chile; it has been planned by the extremely well-organized Chilean Development Corporation, an autonomous Government entity established for the specific purpose indicated in its name. The largest single loan to Chile by our Export-Import Bank—one of 58 million dollars—was for the construction of a steel mill near Concepción, the current production of which is about 300,000 tons of steel ingots per year. It has not only provided Chile with a nucleus around which a cluster of other industries is growing up but it has also produced an exportable surplus which helps Chile to balance her trade with neighboring countries. It also saves Chile about 15 million dollars a year in foreign exchange. Other loans were used for a rayon and staple fiber plant which has helped Chile build up its textile industry, a copper wire and fabricating plant, a tire plant, a cement plant, a ferro-manganese plant, and substantial loans for agricultural machinery to clear new arable acreage and mechanize Chilean agriculture.

The World Bank has granted an initial credit for the location of ground water resources of the Río Elquí Valley where the crop of over 50,000 acres fails 1 out of every 3 years for lack of water. The U.S. Bureau of Reclamation has assigned technicians to assist in this pilot project, which, if successful, will be extended and will relieve food shortages in the arid northern part of the country where there is mined the nitrate so important to our own agriculture.

One of the most valuable projects is the help being extended to Endesa, the Development Corporation's electric power affiliate, to which substantial loans have been granted by both the Export-Import Bank and the World Bank for increasing the generation of electric power for industrial production, rural electrification, and home consumption. As a result of cooperation between the Chilean Government, U.S. private capital, and the two Banks, the Santiago-Valparaiso region tripled its consumption of electric power between 1936 and 1951, with additional expansion now under way. When Endesa's present program with foreign aid is completed, consumption throughout Chile will have been increased by 1958 to six times the level of 1944 when the first Export-Import Bank loan was made for the hy-

droelectric plant which supplies the steel mill at Concepción.

With the encouragement, and assistance when necessary, of the U.S. Government, U.S. private capital has invested more than half a billion dollars in basic Chilean industries, producing more than 400,000 tons of copper per year and over a million tons of nitrate of soda, the two chief sources of dollar income for the country. In addition, U.S. firms engage in many other activities which increase the national wealth and provide employment.

The United States has been cooperating with Chile since 1943 in the improvement of health and sanitation standards. Assistance has been provided in the construction of sewerage and water supply systems, hospitals and sanitoriums, and health centers. These projects have helped Chile to establish an excellent public health system. Cooperation is now going on in the field of agriculture to help expand food production, improve the quality of crops, and eliminate dietary deficiencies. These activities are supplemented by hundreds of grants under which Chileans are brought to this country for training and which will, in the long run, increase technical efficiency and improve living standards.

#### *Brazil*

In Brazil, the most important development in our program of cooperation was the establishment last July of the Joint Commission for Economic Development.<sup>4</sup> This Commission was the first of its kind and represented a new departure in economic cooperation between sovereign powers. Brazil and the United States each have named to this body, which sits in Rio, a commissioner, and there are subcommissions on technical aid, power, agriculture, mining, transportation, industry, and other functional aspects of Brazil's economic life. Our principal contribution is the furnishing of technicians.

The purpose of the binational Commission, which is strictly an action body, is, briefly, to draft an economic development program for Brazil and to help channel the tremendous economic potential of that great country, which is larger than the United States by another Texas, along sound and productive lines. Concrete results of the Commission's planning in the fields of electric energy and railroad rehabilitation—absolutely vital to Brazilian development—were apparent in the granting of 100 million dollars of loans, principally from the World Bank, to Brazil in June.

The outstanding example of our Export-Import Bank loan assistance is the Volta Redonda steel mill, which today has a capacity of 450,000 tons of steel ingots. This capacity is to be increased

to about 680,000 tons with the proceeds of an additional loan made last year. These loans bring the total of financial assistance to Brazil from the two Banks to 425 million dollars. Other programs of U.S. technical assistance have been under way for more than 10 years in Brazil in the fields of agriculture, health and sanitation, the exchange of students, et cetera.

#### *Ecuador and Venezuela*

In Ecuador, Export-Import Bank loans have been applied to waterworks projects in the capital and other cities, improvements on commercial airports, modern machinery for rice growing and food production, and highway equipment and rolling stock for the railroad which connects the capital with the coast. The cooperative agricultural experiment stations, jointly financed by Ecuador and the United States, are centers of investigation and extension work. Experimental campaigns against tuberculosis and other diseases have been started in Ecuador that may well set the pattern for similar work elsewhere in the world.

One of the most spectacular countries of the area is Venezuela, which is second only to the United States in oil production and has now replaced the United States as the world's leading exporter of that absolutely vital product. At the Bolívar coastal field alone on Lake Maracaibo, 4,000 wells in one concentrated area bring everyday into world commerce over 700,000 barrels of crude oil—more than the entire maximum production of Iran. The total Venezuelan production from all fields is at a rate of 1,700,000 barrels per day and could be readily expanded if the country so desired.

In Venezuela is offered a peculiarly fine example of the role which private enterprise can play in the development of a country. The economic cooperation involved in the utilization of Venezuela's incredibly rich natural resources, with the aid of private investment capital and technical know-how from the United States, has brought about an almost unparalleled record of economic and social advancement. In contributing to this development, U.S. businessmen have invested 2.5 billion dollars in Venezuela, a larger figure than in any other foreign country except Canada.

It has been Venezuela's policy to welcome the investment of foreign capital on a mutually advantageous basis. The working relationship between the Venezuelan Government and the foreign oil companies—based on a 50-50 tax formula—is an example for the world and offers a record of great benefit to both parties.

Venezuela has made use of its mounting oil income to build roads, hospitals, and other public works, and to promote agricultural development, education, and public health projects. The people are receiving the benefit of the country's incalculable resources.

The report of the President's Materials Policy

<sup>4</sup>For announcement of agreement establishing this Commission, see *ibid.*, Jan. 1, 1951, p. 25; formal installation of the agreement occurred on July 19, 1951.



Commission, in paying tribute to Venezuela's enlightened development program, concluded,

The Venezuelan case, accordingly, illustrates one point of overriding importance and significance. The social benefits—the rising standard of living, the industrial growth, the improvement of agriculture, education, and public health—have not stemmed automatically from the vast income that oil operations have produced. These benefits have come from the will to spend this income in socially valuable ways. The Venezuelan Government, in its determination to “sow the petroleum”, and the Venezuelan people in supporting this policy have set a worthy example for all others and have set the most persuasive example of all—success.

### *Peru and Colombia*

Our program of technical cooperation in Peru is one of our oldest and most successful; it is veritably a model program which is pointed to with great pride by Peruvians and Americans alike. In the field of agriculture, programs cover research throughout the Peruvian Amazon Basin, operation of an extension service, insect and pest control campaigns, farm irrigation, soil conservation, livestock demonstration and breeding farms, operation of a machinery pool, and so on. The health, welfare, and housing programs include operation of health centers, hospitals, dispensaries and posts in the jungle, an industrial hygiene program, yellow fever control, nutrition program, and vital statistics assistance. The effects of the cooperative education program are nation-wide.

In addition, Peruvian technicians are coming to the United States in large numbers to receive specialized training which will equip them for more responsible positions on their return to Peru. It is perhaps worthy of note here that Peru itself bears the largest part of the expense of this program of technical cooperation, as do other countries which participate in this type of program. Peru contributes at a rate greater than 3 to 1 to the amount of the United States share.

This enlightened self-interest on the part of Peru is also evident in the economic and financial reforms which have been instituted in the past few years. The new Peruvian mining code and a recently promulgated petroleum law have been widely acclaimed as just and reasonable legislation, both to insure the protection of Peru's resources for the welfare of Peru's people and to attract the huge amounts of investment capital necessary to finance such development. The elimination of import restrictions and virtual abolition of all exchange controls have proved highly beneficial to the national economy.

In that connection, I should like to take this opportunity to pay tribute here in Palo Alto to the work of Julius Klein, former Assistant Secretary of Commerce, who for several years has headed the Klein Mission in Peru. A wise counselor and helpful friend to Peru, Mr. Klein is an example of the citizens of this country of highest caliber who are taking part in cooperative en-

deavors with the governments of Latin America.

One of the best examples of a comprehensive and integrated program for nation-wide development is offered in the case of Colombia. In 1949-50 the World Bank sponsored the Currie Economic Mission to Colombia to formulate a development program. The analyses and recommendations of this mission covered all phases of national development—agriculture, industry, transportation, power, public health, housing, public finance, and fiscal policy, etc., and led to the establishment by the Government of Colombia of an Economic Development Commission. That Commission is now operating actively and effectively in implementation of the proposed program, most of which is planned for execution over the 5-year period, 1951-55.

An important contribution to the physical and social betterment of Colombia by our technical-assistance program is the national school of nursing, established in 1943 with the collaboration of the Rockefeller Foundation, and now considered one of the best in all Latin America. An interesting example of the self-help nature of the Point Four Program is that at the beginning of the cooperative health and sanitation program in 1942 in Colombia, the United States bore 63 percent of its cost whereas our share of the cost is now only 10 percent.

### **Nationalistic Pressures in Latin America**

The social discontent and ferment mentioned earlier in these remarks as characteristic of Latin American life today often result in pressures which directly affect the orderly and sound development of national economies. In this connection, it is undeniable that the siren song of extreme nationalism, as distinguished from the love of one's homeland by the true patriot, exerts potent influence in Latin America today. In the unsettled social conditions of today this type of nationalism has in many cases become interwoven with the urge for social and economic betterment, and its adherents associate the former dominance of foreign companies with the period of static economic life. It is but a short step to the charge that all foreign investment comes but to exploit and that the country's riches must be guarded at all costs against the “colonial-minded” foreigner—even at the cost of not having them developed at all. This doctrine is attractive for demagogic purposes; it also offers an excellent opportunity for the Communists to combine with extreme nationalists to exploit and organize nationalistic aspirations into political pressures. The tragedy of extreme nationalism is that its practices close the door to outside help through unrealistic laws and retard the very economic development which it professes to promote. Naturally, such happenings do not bring unhappiness to the Communists and often serve their disruptive ends.

In approaching the subject of economic development we have consistently stressed to our Latin American friends that the rate of their economic growth must depend primarily on their own efforts. Our Secretary of State has aptly remarked that U.S. assistance can only be effective when it is the one missing component of a situation otherwise favorable to economic and political progress. In sum, if the Latin American countries have the will to adopt the necessary internal measures and to create a favorable climate for investment, then the United States is ready to extend desired assistance in economic development.

For the United States alone cannot and should not determine the state of relations between it and another country. It takes two to make relations. Cooperation should beget cooperation, and there is no substitute for mutual understanding and mutual respect. Good relations are a joint responsibility and there is reciprocity in obligations.

I have discussed in some detail this evening the various aspects, both public and private, of this country's cooperation programs with our neighbors in the other American Republics. I have discussed these programs in a desire to emphasize their permanent and continuing nature, in contrast to the emergency nature of many of our activ-

ities in Asia and Europe which are necessarily directed against immediate and specific threats to our national security and, incidentally, to the security of Latin America. I have sought to show that, notwithstanding the clear and present dangers on the farther international horizons, our peaceful cooperation toward a better life in this hemisphere has not been merely maintained but greatly increased and intensified in recent years. And I would urge on those who tend to take a pessimistic view of the present a sense of historical perspective. George Kennan, our Ambassador to Moscow, has cautioned that there is in the field of foreign affairs generally a great time lag between cause and effect in major developments. In almost any direction, we may look back in Latin America no farther than 20 or 25 years and compare those times with today to note the great strides made and the genuine improvement in the relations between the United States and the other republics with which we share this hemisphere.

Let us continue to build and strengthen this great structure of pan-Americanism on which such labor and devotion has been lavished through the years since Simón Bolívar dreamed his dream. Let us go forward in community of spirit and unity of purpose.

## **Defense Sites Negotiations Between the United States and Panama, 1936-1948**

*by Almon R. Wright*

In the autumn of 1933 the President of Panama, Harmodio Arias, arrived in Washington to lay before President Franklin D. Roosevelt an outline of grievances and a list of remedial measures that would bring prosperity to Panama. President Roosevelt agreed to consider what could be done for the Isthmian Republic.

The Panamanian President formulated his agenda in 21 points based upon the principle of administering the Canal Zone for the purpose of operating and protecting the Canal. Upon the foundation of this formula and of other principles, diplomats of the two countries began negotiations culminating in a series of conventions, signed on March 2, 1936,<sup>1</sup> which considerably altered the relations established by the original convention of 1903.

<sup>1</sup>For summaries of these conventions, see BULLETIN of July 29, 1939, pp. 83-85 and 89.

A bilateral approach to problems concerning the Canal displaced many of the older grants of one party to the other. Thus the United States renounced its obligation to guarantee the independence of Panama. It relinquished Panama's grant, made in perpetuity, of the

use, occupation, and control of lands and waters in addition to those already under the jurisdiction of the United States of America outside of the zone . . . which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the Panama Canal or . . . other works.

On the other hand, Panama joined the United States as a partner to insure to both countries and to all the world the benefits of the Canal. In the event of an unforeseen contingency, the two countries were to consult together and agree upon such measures as might be necessary to protect it.

Some Washington officials feared that these

renunciations withdrew from the United States the authority necessary to maintain and protect the great water highway. The need for additional lands and waters, however, appeared remote in 1936, for statistics indicated that the capacity of the locks and of the water supply was by no means being entirely used. Moreover, the new agreement did not annul the provision of the 1903 convention which permitted the use of lakes and rivers for purposes of water power, navigation, or water supply. Some apprehensions also existed that in a sudden emergency the United States might find its hands tied by the necessity of obtaining Panama's consent for military measures. Officials of the Department of State felt that Panama had already given consent for such measures when it obligated itself to cooperate to protect the Canal. To allay any fears on this matter, representatives of the two countries expressed their understanding, in notes exchanged in 1939, that the United States need not await the results of consultation if a military emergency arose.

In two other renunciations, the United States indicated its confidence in the stability and cooperative spirit of the Panamanian Government. The right to intervene in the cities of Colón and Panama and their surrounding territories to preserve order rested, according to the terms of the 1903 convention, upon the unilateral judgment of the American authorities. This prerogative now seemed unnecessary, and a renunciation of it accorded with the Convention on Rights and Duties of States adopted at the Conference of American States in 1933. Among the provisions of that agreement, which was endorsed by the U. S. delegation, was the following: "No state has the right to intervene in the internal or external affairs of another."

Upon the basis of Panamanian cooperation rested the willingness of the American negotiators to yield the right, conferred by the first convention, of acquiring property from individuals through the exercise of eminent domain. It was believed that, should the owners refuse to sell property, Panama was under obligation to obtain it through this method. Thus, from the formula that President Arias advanced in 1933, that the Canal Zone should be administered primarily to operate and protect the Canal, evolved the renunciations of the 1936 convention: namely, the right to acquire lands and waters outside of the Zone, the guaranty of Panamanian independence, the right to intervene to preserve order in Colón and Panama City, and the use of eminent domain to acquire property.

The General Convention of 1936 was supplemented by two special conventions dealing with radio, since Panama was dissatisfied with the unilateral character of the existing controls. The 1936 agreement substituted cooperative arrangements in the assignment of wave frequencies and

in licensing radio stations, operators, and imports of certain essential equipment. The United States was to continue to handle communications involving the operation and defense of the Canal, but it agreed to a joint control, through the Radio Boards of each country, when the security of the Republic or of the Canal Zone was threatened. The transfer of the two Navy radio stations was provided in the second of these two special conventions.

The bilateral approach was also apparent in the fourth of the conventions signed in 1936. According to its terms, which were subjected to much modification subsequently, a new highway was to be built across the Isthmus. A large part of it was to lie outside the Canal Zone and was to be constructed by the United States at Panama's expense.

### **Progress of the Conventions in the U.S. Senate**

After the four conventions were signed, they were submitted to the Panamanian Assembly and the U. S. Senate for consideration. A decade earlier the latter had approved a new treaty only to have it rejected by the Assembly. This time, the Panamanian legislative body indicated its approval promptly and the Senate of the United States deliberated at much greater length. The Committee on Foreign Relations conducted extensive hearings, particularly on the effect of the agreement on the Canal defenses. The War and Navy Departments had reservations about the provisions that abrogated the right of the United States to maintain order, that appeared to infringe upon the supplying of the Armed Forces, and that restricted the facility in obtaining additional land and water rights and in exercising control over them. The committee satisfied itself, however, that the agreements would not impair the power to defend the Canal and recommended them.

The Senate consented to the ratification of the General Convention and the convention on highway building in August 1939, less than a month before war came to Europe. It failed to approve the agreement on radio control. The agreement on the transfer of the two radio stations was not ratified by the President.

In 1940 and 1941, reports of the activities of a Nazi clique in Panama and the possibility of attack by large numbers of aircraft led the United States to seek new defensive positions from which an attack on the Canal might be defeated. In the first phase of the war, the Germans employed two methods of warfare which had an important bearing upon the defense of the Canal. The first was the use of "fifth columns" to weaken or even bring realignment of policy within a country; the second was the commitment of masses of airplanes to deliver, at the outset of war, knockout blows against enemy air strength and strategic points.

The fear of a "fifth column" was intensified

after a new administration took office in Panama in June 1940. Among the official associates of President Arnulfo Arias (brother of ex-President Harmodio Arias) were a number of individuals who were reported to be sympathetic with the Nazi cause. The administration's treatment of the Panamanian press led to further speculation and suspicion. The pro-Allied editor of one newspaper was deported; a columnist critical of dictators was dismissed from the staff of another. A third paper, openly pro-Nazi, was reportedly printed by the presses of the administration party. The official position of the administration was proclaimed as one of neutrality, but the local Axis legations were said to control the handling of mail. When the anti-Jewish policy was in full swing in Germany, there was an increase in the German population of the Isthmus which could not be attributed entirely to an influx of refugees. German and Italian nationals were able to obtain provisional naturalization with ease, and they enjoyed the protection of citizenship while under no obligation to complete the naturalizing process.

#### **U.S. Invokes Provisions of 1936 Convention**

In view of this situation, the United States found it necessary to request of Panama the cooperation in defending the Canal which was stipulated in the convention of 1936. The threat of air attack required new lands in Panama for the defense of the Canal, in addition to those already in the hands of the United States.

A large tract, the Rio Hato area, had previously been leased by the American Army from a private agricultural firm and a large air base was being built there when, in October 1940, Ambassador William Dawson initiated negotiations to take over 71 additional defense sites. These sites fell into five categories, of which four were directly concerned with air warfare and the fifth with highway connections among the other four. In the first group were the emergency landing fields—temporary runways that could be maintained by civilian labor. The second group consisted of auxiliary landing fields manned by small groups of military personnel and provided with readily expansible equipment. Mechanical aircraft-warning stations at points somewhat more distant from the Canal Zone made up the third group of defense sites. The fourth group of sites, comprising nearly half of the area desired, were small plots of ground for searchlights.

Ambassador Dawson's presentation of the problem early in November 1940 was not favorably received. President Arias pointed out that the establishment of many dispersed sites would create military objectives throughout the Republic subject to bombardment by an enemy. The connecting of the sites by military highways would

not be a blessing, he asserted, for these would multiply the problems of controlling smuggling. He suggested that the leases extend only for the period of a presidential term and that Panama retain criminal jurisdiction over persons on the sites with the exception of military personnel.

#### **Panama Requests Extensive Concessions**

Several weeks later the Panamanian Minister of Foreign Relations began conversations on a long series of proposed additional conditions. He stipulated the details as to the location of the connecting roads, their construction specifications, and their unrestricted use by Panamanians. In the descriptions of the size of peacetime garrisons for the defense sites, he rejected the word "approximately" and substituted "maximum." To initiate on-the-ground proceedings, he proposed the creation of a mixed commission to investigate the titles to the sites, produce studies, take photographs, and make recommendations. Finally, he indicated that monetary compensation must be given priority of discussion over other considerations.

Other matters were actually taken up, however, before the rental rate was fixed. At Washington, in January 1941, Ambassador Carlos N. Brin presented a formidable list of 12 public works projects and other concessions which Panama requested as compensation. The item calling for the transfer of the water and sewer system of Colón and Panama City to Panama presented many complications, for it involved consideration of such matters as water rates, amortization charges, street maintenance, and repair costs. Panama also wanted the Panama Railroad Company to turn over any properties not directly concerned with the operation of the Canal and railroad, and to arrange to move its railroad station in Panama City to another site so as to permit the beautification of the city. Ambassador Brin proposed two other public works projects: a bridge across or a tunnel under the Canal to eliminate dependence upon the ferry service, and a military road, financed by the United States, to connect Chorrera and the base at Rio Hato.

The Ambassador's list included items in the public utilities field: recourse to electric power from the surplus produced from the Alhajuela Dam at the rate of one cent per kilowatt hour, and aid in locating gasoline and oil tanks near Balboa. Panama renewed its request that the Jamaican laborers and their families be repatriated and that no further immigration of these people of the Negro race be permitted.

President Arias, recalling, perhaps, the success of his brother's direct approach to President Roosevelt in 1933, and perhaps his own meeting with him on board the U. S. S. *Tuscaloosa* as it passed through the Canal in 1940, had instructed Ambassador Brin to carry his appeal directly to

President Roosevelt. The Ambassador was received instead by Under Secretary Sumner Welles, who conveyed to him the attitude of the President. The latter held: first, that, in view of the explicit obligations of the 1936 convention, Panama should turn over the necessary sites to the Canal Zone authorities; second, that these defense areas should be transferred speedily because the world situation was grave; and third, that when Panama had complied, the United States would then be willing to consider the Ambassador's proposals. The Under Secretary observed that an intolerable situation would arise if every new Panamanian administration demanded new and expensive concessions as a price for observing its treaty obligations. He rejected the Panamanian contention that the additional proposals were to be regarded as compensation for the defense sites.

In Panama during those first weeks of 1941, while Ambassador Dawson used every opportunity to emphasize the need for a speedy agreement, his efforts were none too successful. On March 6 President Arias announced that the American Army authorities were empowered to begin construction on one of the defense sites. He stated further that these sites would be turned over for the duration of the European conflict only, and that they would be evacuated upon its termination.

The announcement was made without the knowledge (much less the agreement) of the American Ambassador. Nevertheless, the military authorities accepted the statement as sufficient justification for immediate utilization of the sites. The occupation was accomplished by April 3, but it was then too late for the Army to make much headway on construction before the start of the rainy season.

#### **Direct Negotiations Between the U.S. and Panama**

To the Government at Washington the all-important consideration was the strengthening of the Canal defenses as speedily as possible. Hence, after the Army was in a position to install the warning stations and searchlight batteries and to build the airfields, negotiations on Panama's demands proceeded without the pressure of military necessity. In May, Ambassador Brin was informed that the United States was willing to transfer the water and sewer systems of Colón and Panama City and to supply water at the Zone boundary, provided Panama would agree to maintain existing sanitary standards and continue the payments on the unamortized part of the original cost of the installations. Further, the United States would transfer those lands of the Panama Railroad Company not needed for the operation of the Canal and railroad and move its railroad station in Panama City to a new site. On the other hand, it was made clear that these concessions were contingent upon the conclusion of a sat-

isfactory arrangement on the tenure and jurisdiction over the new defense sites.

In reply to these proposals, Panama launched a counter program and dispatched its Minister of Foreign Relations, Raúl de Roux, to Washington to undertake negotiations with Under Secretary Welles and to discuss with him the whole field of United States-Panama relations.

Minister de Roux invoked article 10 of the 1936 convention, which called for consultation between the two countries in the event of an international conflagration or threat of one. On the other hand, he rejected as inapplicable article 2 of that treaty under which Panama agreed to join the United States in taking measures to protect the Canal if an unforeseen contingency arose. A second major difference of opinion concerned the termination date of the Army's occupation of the defense sites. De Roux reiterated the position of his chief that the sites should revert to Panama when the European conflagration was brought to a close, but Welles argued—prophetically—that “a treaty of peace theoretically ending the present ‘European conflagration’ might not mean the removal of the danger. . . .” The Under Secretary was not in a position to accept the Panamanian proposals to limit the size of American garrisons or to allow Panamanian nationals to use the auxiliary airfields.

The Minister suggested that the United States pay a rental for the occupied areas computed on the basis of \$4,000 a hectare annually. At first officials of the Department of State found it difficult to believe that this was a serious proposal; they thought the sum of \$4,000 had been stipulated through error. At this rate, the Rio Hato area would have cost the United States \$30,000,000 annually, whereas the Army was then paying the owner \$2,400 annually and held an option to purchase the tract for \$140,000.

On these issues—the applicability of the 1936 convention, the termination date of the occupation of the sites, the size of the garrisons, the use of the airfields, and the amount of rental—there was to be no meeting of minds with the Panamanian administration then in office.

The Panamanian Minister included on his agenda discussions not only of these military projects but also of the 12 additional projects that Ambassador Brin had presented. He claimed that the payments made by Panamanians for the water they had consumed had also covered the construction costs of the water and sewer systems. Therefore, he contended, these systems should be transferred to Panama, without any liability for amortization charges. To Welles' suggestion that a study of this matter be made from the accounting books of the Canal Zone, he replied that such a step would require too much time. De Roux advanced a coupon-and-tax plan to limit the clientele of the commissaries and to equalize prices. Welles

contended that the method of hearing complaints, as prescribed in the General Convention of 1936, should be given a trial. The Panamanian replied that this method was not feasible because of the great number of contraband cases.

### Breakdown of Negotiations

When it was apparent that little progress was to be expected in the negotiations, the official Panamanian Government newspaper published a pessimistic commentary by President Arias. He expressed a hope for President Roosevelt's intervention in the negotiations. A few days later, in a final conference with de Roux Welles, with a fresh authorization from the President, said to the Minister:

I have received from President Roosevelt a personal commission to express categorically to the Government of Panama . . . that the President has from the beginning been informed of the nature of the present conversations . . . and that the views which I have expressed or will express fully represent those of the President.

The Under Secretary was just about to present the concessions that his Government was ready to offer when, unexpectedly, the Panamanian Minister announced that he had decided to leave Washington the following day.

The Minister did not, however, intend his abrupt departure to terminate the negotiations with the United States. He appears to have contemplated a resumption of conversations with the American Ambassador in Panama and a continued effort by Ambassador Brin in Washington to reach an agreement. Further negotiations did take place, but no substantial progress was made during the period of the Arias regime.

The stalemate was broken when Ricardo Adolfo de la Guardia became President on October 1, 1941. There were rumors that the United States had exerted pressure in the Panamanian elections, in view of the trend of the negotiations, but Secretary of State Cordell Hull issued a statement deploring such reports. "I state clearly and categorically for the record," he said, "that the United States Government has had no connection, direct or indirect, with the recent governmental changes in the Republic of Panama."<sup>2</sup>

The new President announced his willingness to collaborate with the United States, but the final terms of agreement were not announced for 7 months after his elevation to power.<sup>3</sup> Although President de la Guardia, like his predecessor, opposed a reference to the mutual obligation of the two countries to defend the Canal, as set forth in article 2 of the 1936 convention, the delay in concluding the negotiations was not due to any major differences of opinion.

The problem of determining the date on which the occupation of defense sites was to cease was solved by adoption of a formula whereby tenure would terminate one year after the definitive treaty of peace was signed. Panama yielded to the Army's needs concerning the airfields and jurisdiction over civilian and military personnel. The highway construction was left to military authorities, but the responsibility for maintenance was laid upon Panama with sustaining U.S. help to the extent of one-third of the cost. The two countries agreed upon a rental of \$50 a hectare for the defense sites, excepting Rio Hato. This tract was treated separately, and the rental fixed for it was a flat \$10,000 a year.

Although Minister de Roux had hastened his departure from Washington presumably because he felt he had failed to achieve his objectives in his conversations with Under Secretary Welles, in reality he had succeeded better than he realized at the time. In the final terms of agreement on the 12 projects considered, the United States accepted most of Panama's requests. Under Secretary Welles agreed to all Panama's proposals regarding the sewer and water system of Colón and Panama City. These properties, together with the properties of the Panama Railroad Company not needed in the operation of the Canal and railroad, were transferred free of cost. The Under Secretary also favored the liquidation of the loan of \$2,500,000, obtained by Panama from the Export-Import Bank for the Chorrera-Rio Hato Highway. These three provisions involving the transfer of U.S. property were, of course, agreed upon subject to the approval of the U.S. Congress.

Two other concessions to Panama were prospective in character: construction of the bridge or tunnel to traverse the Canal would not be undertaken until the end of the war, and the moving of the railroad station would have to be delayed until Panama provided another convenient site.

De Roux's requests concerning electric power and fuel tanks were also settled to the advantage of Panama. On the other hand, the United States could not meet completely his demands to repatriate the West Indian laborers and to refrain from introducing laborers of races which the Panamanian Constitution held to be objectionable. However, the United States did agree to fill its labor needs in Panama, as far as practicable, with persons whose immigration was permitted by the Panamanian Government and to forbid the movement from the Canal Zone into Panama of those not legally qualified to enter.

The agreement embodying these provisions was written as an exchange of notes, not as a treaty or convention. When the provisions calling for transfer of U.S. property were presented to the Congress for approval, there were criticisms not only of substantive matters but also of the use of an executive agreement—not requiring Senate approval—instead of a treaty or convention.

<sup>2</sup> BULLETIN of Oct. 18, 1941, p. 293.

<sup>3</sup> For text of this agreement, see *ibid.*, May 23, 1942, pp. 448-452.

The clauses transferring the water and sewer system were subjected to close scrutiny, since there was the possibility that the standards of sanitation might be lowered at a time when thousands of American soldiers were passing through the Canal. Already under consideration was a type of management contract leaving the ownership of the water and sewer system with Panama but placing its operation in the hands of American authorities.

### **Supplemental Conversations**

The defense sites negotiation was supplemented by conversations on closely related problems. The employment policies of the Canal authorities had been the subject of frequent diplomatic interchange. In the hiring of laborers and technical personnel for the Canal, there were always two somewhat conflicting considerations: the necessity of obtaining efficient labor and competent skilled workers, and the desirability of employing as many Panamanians as feasible. The greatly expanded construction activity that followed the outbreak of the war in Europe accentuated the problem. It was further complicated by Congressional stipulation, in connection with financial appropriations, that skilled positions be filled by American citizens only. To Panamanians, particularly, this action appeared discriminatory and contrary to the spirit and letter of the 1936 treaty. It was, therefore, necessary to choose between organized labor's demands that Americans have first chance at jobs in the Canal area and adherence to a commitment embodied in the note of agreement exchanged with Panama in 1936. President Roosevelt in February 1940 asserted his determination to uphold the latter, and pending legislation was modified to that effect.

Early in 1940 the War Department was confronted with the problem of recruiting sufficient labor for a third set of locks, three highway projects, and other defense works. The need could not possibly be met from the Isthmus, and hence an arrangement was made with the United Kingdom to introduce several thousand laborers from Jamaica. Although assurances were given that these laborers would be housed in the Canal Zone and would be repatriated upon discharge, the spokesmen for Panama expressed profound surprise and disappointment. They said they had been given to understand that recruitment of Jamaicans would not be necessary.

In view of President Roosevelt's desire to respect Panama's ethnic sensibilities, efforts were made to recruit laborers from other countries including Puerto Rico, Colombia, Costa Rica, and Cuba. But this recruiting was not very successful. It was, therefore, found necessary to import Jamaicans.

During the war period, questions relating to

employment of Panamanians and Jamaicans were subordinated to the necessities of the times. When the Japanese struck at Pearl Harbor, Panama extended full cooperation by rounding up German, Italian, and Japanese aliens; declared war upon the enemies of the United States; and collaborated with the U.S. Navy in establishing censorship of postal and cable communications.

The cooperative approach to common problems offered some difficulty in the aviation field. Much of the regulation of aircraft in the Canal area was under the authority of a joint Aviation Board. Panama altered the Board's composition from a membership of three from each country to one in which Panama would have a majority. In effecting the change, the Arias government denounced, on June 3, 1941, the 1929 agreement with the United States under which the Board had been organized. In reply to a message urging a continuation of friendly consultation, the Panamanian authorities observed that the naming of an American citizen to the Board was unconstitutional. They suggested the creation of an all-Panamanian administrative board and a mixed commission with membership from both countries, but with recommendation powers only. Since there was little hope of reconciling the divergent views held by the two countries, the American Ambassador allowed the question to subside. Later, under the De la Guardia regime, Panama adopted the air traffic rules of the United States and permitted American military planes to use the national airport at Punta Paitilla.

Panamanian opposition to control of Isthmian commercial aviation by Canal Zone authorities was not limited, however, to the Arias government. Courts of the Republic in 1939 and again in 1944 upheld the theory of Panamanian sovereignty in the air and the doctrine that commercial aviation was not connected with operation and defense of the Canal. The successors of Arias were interested in promoting a new national airport for Panama and in developing trained personnel to manage and operate commercial planes. The United States encouraged these objectives and provided scholarships which enabled qualified students to obtain schooling in American universities and technical institutions.

### **Re-emergence of Defense Sites Problem**

With the end of hostilities in Europe and the Far East, the defense sites problem came more sharply into focus. U.S. military authorities had pursued a policy of releasing the sites when they were no longer useful. At the time of the Japanese surrender, 55 of these sites on which the United States had made improvements valued at a total of about \$400,000 had been returned to Panama. By July 1947, when a new agreement

seemed to be forthcoming, 98 sites had been returned and only 36 remained in U.S. hands.

On October 31, 1945, the Constitutional Assembly summoned the Minister of Foreign Relations, Ricardo Alfaro, to appear before it and provide information regarding the termination of American occupation of the sites. Alfaro interpreted the words "one year after the signing of the definitive treaty of peace," which was the stipulation on this point in the 1942 agreement, to mean one year after the signing of the Japanese surrender document on the U.S.S. *Missouri*. This was not an interpretation to which the United States could subscribe, and it was one which had been rejected by Under Secretary Welles during the negotiations in 1941 and 1942. On June 4, 1941, Welles had informed the Foreign Minister that the sites were requested "for the period which the United States considers them indispensable for the protection of the Canal and . . . they will revert to Panama when the present emergency is past." At no time did the United States regard the military surrender as a "definitive" peace treaty. In the Isthmian Republic, however, the Alfaro interpretation gained credence, so that on September 2, 1946, the General Assembly unanimously resolved that the sites should be returned since the term of occupation had expired.

In the meantime, negotiators of the two countries had begun a series of conversations which were not concluded until an agreement was signed on December 10, 1947. From the outset there had been a tacit understanding that defense of the Canal required U.S. retention of some of the sites, but differences of opinion had developed not only on the date of terminating the occupation but also on nearly every other consideration pertaining to the general question. The initial position of Panama, as conveyed in October 1946, contemplated a declaration that the 1942 agreement was no longer in effect and provisions for joint operation of the sites, for retention by Panama of sovereignty and jurisdiction, for maintenance of the 1942 rent level, and for a tenure of one year subject to renewal.

Although the Panamanians contended that a new agreement should declare the termination of the old one, the American Ambassador refused to acquiesce, and in the draft treaty of 1947 no mention was made of the 1942 pact. Various forms of joint control of the sites were discussed, but the War Department was adamant on the proposition that defense of the Canal must not rest upon divided authority and responsibility. The 1936 convention had been specific regarding the *joint* responsibility of the two countries to protect the Canal.

Actually, Panama did not appear to question practical U.S. military authority over the sites but was apparently seeking a legal basis of joint authority. In reaching an agreement on this question, the negotiators provided for a joint commis-

sion to consult on the use of the sites, while at the same time leaving full military, technical, and economic responsibility with the United States. Panama's contention that it should participate in deciding which sites were to be continued and which dismantled was resolved by the attachment to the agreement of a list in which each site was described and the length of occupation stipulated. Panama's sovereignty over the sites and the air space above them and its jurisdiction in civil and criminal cases were affirmed, but at the same time the negotiators agreed that the United States should exercise jurisdiction over its own civilian and military personnel and over cases, excepting those involving Panamanians, where security of the Canal was involved.

#### Future Occupation of the Defense Sites

A wide gap appeared between the opinions of representatives of the two countries as to the length of future occupation of the sites. The U.S. military authorities preferred long-term leases, particularly for the Rio Hato area, where they contemplated the erection of permanent buildings. On the one hand, therefore, the United States was proposing a 30-year maximum and 10-year minimum tenure, while Panama would have limited tenure to 10 years with a minimum of 2 or 3 years, the maximum in both cases applying to the Rio Hato area. The final compromise specified 10 years for the occupation of this largest of the sites, subject to renewal, and 5 years for the remaining 12 sites.

The military authorities were willing to pay for these areas an annual rental of up to \$50 a hectare, except for the two large sites, Rio Hato and San José. The Panamanian negotiators, however, contended that there was no reason to differentiate between sites. The Rio Hato site had cost the United States \$10,000 a year under the existing arrangement; under the Panamanian formula the cost would have been \$350,000 annually. The two parties settled the problem by establishing three rates: one for the Rio Hato, \$10,750 annually; one for the San José site, \$15,000; and one for the remaining sites, \$17,250. In addition to this sum of \$43,000 for rent, the United States was to pay \$137,500 as its share in maintaining the roads used by the military forces.

In previous negotiations of this type, Panama had presented a list of economic grievances that the United States was asked to correct and benefits to be conceded. In this instance, Foreign Minister Alfaro was not disposed to associate the economic needs of his country with the defense question. During his absence in February 1947, however, the Acting Foreign Minister suggested that Panama's obligation to help defend the Canal should be balanced by a U.S. guaranty to provide commercial advantages. Specifically, he wanted the United States to build the highway to the Costa



Rican border, transfer a hospital and a dock, and return Paitilla Point airport. The Department of State did not reject these suggestions outright, but it did indicate that no conversations would be held on these matters until the defense-sites question was settled.

### **Panamanian Reaction to the Final Agreement**

The continued occupation of any defense sites by U.S. forces was vigorously opposed in Panama many months before the signing of the agreement on December 10, 1947. Powerful newspaper criticism developed, and hostility toward the settlement appeared even within the President's official family. Foreign Minister Alfaro, responsible for much of the negotiation, turned against the agreement the day before it was signed. The Acting Minister of Foreign Relations, who was favorably inclined toward the agreement, marched with police support upon the University in an unsuccessful attempt to arrest an offending radio broadcaster. Student agitation against the agreement increased to the point of violence, and idlers and Communist agitators assisted in further attempts at intimidation.

It was therefore in an atmosphere of extreme tension that the Panamanian Assembly in December 1947 came to deliberate on the defense-sites agreement. A committee studied the document and brought in a favorable report, subject to amendments that altered the provisions on criminal and civil jurisdiction, tax exemption, and duration of the occupation of Rio Hato and included a stipulation terminating the 1942 defense-sites agreement. But these reservations, which should have dissolved most of the opposition in the Assembly, had no such effect. A last-minute indication by the Department of State that it was ready to discuss economic aid to Panama likewise had no effect. Students and other demonstrators were allowed to crowd into the legislative chamber. When the President of the Assembly referred to the demonstrators as "ten thousand boys with knives," the legislators sought police protection. It was under these circumstances that a roll call on the defense-sites agreement was taken. It was unanimously decided to reject the agreement.

By mid-January 1948, all but two of the defense sites had been evacuated. More time was necessary for withdrawal from the Rio Hato and the San José Island areas but by mid-February this too was completed. The announcement of this fact by the two Governments<sup>4</sup> brought to a close a chapter—alternately pacific and turbulent—in the relations between the United States and Panama.

•*Mr. Wright, author of the above article is a historian in the Division of Historical Policy Research.*

<sup>4</sup> *Ibid.*, Mar. 7, 1948, pp. 317-318.

## **First Meeting of Anzus Council**

*Statement by Secretary Acheson*<sup>1</sup>

I am leaving today for the first meeting of the ANZUS Council in Honolulu, which will be attended also by the Ministers for External Affairs from Australia and New Zealand. The principal purpose of this meeting is to consider matters concerning the implementation of the ANZUS Treaty to which our three countries are parties and which provided for the establishment of this Council. Our common interests and relationships in the Pacific will be reviewed and arrangements for future meetings will be discussed.

It should be emphasized again that the ANZUS Treaty is one more step in our continuing efforts to strengthen the peace in the Pacific and in the world. It is significant, I believe, that the treaty opens with a reaffirmation of faith by Australia, New Zealand, and the United States, in the "purposes and principles of the Charter of the United Nations, and their desire to live in peace with all peoples and all Governments." Our discussions at Honolulu will be undertaken and carried out in that spirit.

*Press Conference Statement by Secretary Acheson*

Press release 595 dated July 30

I can give you a few details of this forthcoming trip to the Hawaiian Islands. The delegation will leave Washington on the morning of next Friday, August 1 and expects to arrive in San Francisco during the afternoon. We expect to take off again on Saturday morning and arrive in Honolulu Saturday afternoon. That will get us there about 24 hours before the first meeting of the Conference which is to be held on Monday, August 4.

We hope that it will be possible for us to start back again on Friday, August 8, with the expectation of reaching Washington on the afternoon of August 9—Saturday, the 9th.

The principal advisers who will be with me at the Conference will be Ambassador at Large Jessup; Admiral Arthur William Radford, Commander in Chief in the Pacific, who will be the chief military adviser; George Perkins, Assistant Secretary for European Affairs; and John M. Allison, Assistant Secretary for Far Eastern Affairs.

The principal work of this Conference will be to reach agreement on the organization of the Council and the functions of the Council. We will take up various political and military matters affecting our common relationships in the Pacific. We think that the result of this first meeting ought to be to set up an organization which will provide

<sup>1</sup> Made at the Washington National Airport on Aug. 1 and released to the press (No. 607) on the same date.

an opportunity for closer and more effective government-to-government relations with our Australian and New Zealand friends. Of course all of this is in the framework of the treaty which refers to these efforts as "efforts for collective defense for the preserving of peace and security pending development of a more comprehensive system of regional security in the Pacific area."

### *U.S. Delegation*

The first meeting of the Council created by the Security Treaty between Australia, New Zealand, and the United States, which entered into force on April 29, 1952, will convene at Kanohe, Oahu, Territory of Hawaii, on August 4, 1952. The U.S. delegation to this meeting is as follows:

Dean Acheson, Secretary of State  
Philip C. Jessup, Ambassador at Large  
John M. Allison, Assistant Secretary of State for Far Eastern Affairs  
George W. Perkins, Assistant Secretary of State for European Affairs  
Admiral Arthur W. Radford, U.S.N., Commander in Chief, Pacific and U.S. Pacific Fleet  
John K. Emmerson, Planning Adviser, Bureau of Far Eastern Affairs, Department of State  
Andrew B. Foster, Deputy Director, Office of British Commonwealth and Northern European Affairs, Department of State

It is expected that this meeting will be primarily devoted to matters regarding the organization and functions of the Council. In addition, representatives of the three signatory powers will review matters affecting their common relationships in the Pacific area.

Warren Kelehner, who recently retired as chief of the Division of International Conferences, Department of State, has been designated as Secretary General of the meeting.

## **Death of Senator Brien McMahon**

### *Statement by Secretary Acheson*

Press release 591 dated July 28

I am deeply grieved and shocked at the death of Senator Brien McMahon and mourn the loss of a close friend and colleague. His fellow countrymen have long benefited from his valued and important contributions to the strength and welfare of our Nation and its institutions.

Senator McMahon's forward looking recommendations and activities in the field of atomic energy, in which he specialized, have done much to insure the preeminent place of our Nation today in all aspects of atomic energy development.

All of us in the State Department know the major role that he has played in furthering our foreign policy and maintaining peace.

A truly wise and outstanding statesman has been lost to our councils of state. Brien McMahon was an intense patriot who possessed both a courageous heart and a brilliant mind which worked in concert to further the interests of his fellow men.

## **President Ratifies Convention with Germany**

*On August 2 President Truman made the following statement after ratifying the Convention on Relations between the United States, the United Kingdom, and France and the Federal Republic of Germany, and the North Atlantic Treaty Protocol:*<sup>1</sup>

With the advice and consent of the Senate, I have today ratified the convention on relations between the three powers and the Federal Republic of Germany, and the protocol to the North Atlantic Treaty. Ratification of these instruments represents the latest in a long series of efforts on the part of this Government to establish normal and friendly relations between the United States and Germany. Ratification is also a further step toward assuring the security of Western Europe and the whole North Atlantic area. While the United States is the first nation to ratify both of these documents, I feel certain that our European Allies, realizing the importance and urgency of these measures to Western Germany and the free world, will join in expediting approval of the pacts by their own parliaments.

In giving its advice and consent to ratification of the convention on relations with the Federal Republic of Germany, the Senate stated its interpretation with respect to constitutional procedures as referred to in the convention.

I should like to make it clear that this interpretation refers only to internal relationships between the component parts of the Government of the United States, and does not in any way affect the rights and obligations of the United States or other signatory states under the convention, or any of the related conventions or agreements. Furthermore, the interpretation does not in any way lessen the determination of the United States to carry out its commitments.

The convention does not, in my opinion, grant to the President any new legislative authority, nor does the interpretation adopted by the Senate increase or diminish the powers the President has under the Constitution.

<sup>1</sup>For a summary of the convention and text of the North Atlantic Treaty Protocol, see BULLETIN of June 9, 1952, pp. 888 and 896.

On August 1 the British Parliament approved the convention with Germany and the NATO Protocol, as well as the agreement establishing the European Defense Community.

## Austria Appeals to United Nations Members for Support in Restoration of Sovereignty and Ending of Occupation

On July 31 the Austrian Chargé d'Affaires, Dr. Wilfried Platzer, presented to the Department of State a memorandum announcing his Government's intention of taking to the United Nations its plea for the conclusion of a State treaty to end the occupation of Austria and restore its national sovereignty. The memorandum is to be delivered to all states members of the United Nations.

Attached to the memorandum are the following annexes: 1) *List of International Acts Violated by Germany in 1938 Through Her Occupation of Austria*; 2) *Statements by British and American Statesmen Concerning the Restoration of a Free Austria*; 3) *The Reasons for Which the Continued Occupation of Austria is Inconsistent With the Principles of International Law*; 4) *Council of Foreign Ministers Paris Meeting—Agreement on Controversial Clauses of Austrian State Treaty—Communiqué of June 20th, 1949* (see BULLETIN of July 4, 1949, p. 858); 5) *Losses Incurred by Austria Through the Occupation*; 6) *Draft Treaty for the Re-Establishment of an Independent and Democratic Austria*; and 7) *Text of Proposed Abbreviated Treaty for Austria Presented by the Governments of the United States, the United Kingdom, and France to the Government of the Soviet Union on March 13, 1952* (BULLETIN of Mar. 24, 1952, p. 449).

Following is the text of the memorandum:

### MEMORANDUM

BY THE AUSTRIAN FEDERAL GOVERNMENT CONCERNING THE TERMINATION OF THE OCCUPATION OF AUSTRIA AND THE REESTABLISHMENT OF HER FULL SOVEREIGNTY

The Statute of the Republic of Austria is based upon the treaty of Saint-Germain.

Austria, admitted to the League of Nations in 1920, remained a member until her forcible occupation by Germany. During this entire period Austria loyally cooperated in the achievement of the aims of the League of Nations to safeguard peace. The League of Nations, on the other hand, more than once aided Austria to overcome her economic and social difficulties.

For the maintenance of her independence Austria, being only a small country, relied, above all, upon Article 10 of the Covenant wherein the members of the League undertook to respect and preserve against external aggression the territorial integrity and political independence of all members. However, this guaranty did not prevent the German Reich from occupying Austria by force of arms on March 12th, 1938, in violation of Article 80 of the Treaty of Versailles and the Austro-German agreement of July 11th, 1936,<sup>1</sup> and in complete disregard of the declaration of May 21st, 1935, by which Hitler had recognized the inviolability and independence of the Federal State of Austria. Though the Government of Austria tried to the very end to induce the members of the League to come to its aid against the German aggression, the members did not make good their pledge of guaranty; instead they lodged notes of protest.

Thus, Austria became the first victim of Nazi aggression. (Annex 1; list of agreements violated by Germany in 1938 through her occupation of Austria).

However, when Germany invaded Poland on September 1st, 1939, thereby unleashing the second world war, the question of the unlawful occupation of Austria by Germany was reopened by the Allied Powers. British and American statesmen solemnly announced that Austria had to be liberated from the German yoke and restored as a sovereign state (Annex 2). These announcements made on various occasions finally led to the Declaration of Moscow signed by Great Britain, the U.S.A. and the U.S.S.R. on November 1st, 1943. (The French Committee of National Liberation made a similar declaration in Algiers on November 16th, 1943.) In this declaration the governments of the signatory powers expressed their will that "Austria, the first free country to fall a victim to Nazi aggression, shall be liberated

<sup>1</sup> For text of this agreement and for documents from the archives of the German Foreign Ministry dealing with the annexation of Austria, see *Documents on German Foreign Policy 1918-1945. From Neurath to Ribbentrop* (Series D, Vol. I), Department of State publication 3277, pp. 278-626.

from German domination." They regarded "the annexation imposed upon Austria by Germany on March 15th, 1938, as null and void", considered themselves "as in no way bound by any changes effected in Austria since that date" and declared, "that they wished to see re-established a free and independent Austria."

By their announcements made during the war, and, in particular, by the Moscow Declaration of November 1st, 1943, the Allied Powers (Great Britain, the U.S.A., the Soviet Union and France) have also recognized the existence of Austria as a separate state. Consequently, after the liberation of Austria by the Allies, this problem was not mentioned any more and an agreement was concluded on July 4th, 1945, (so-called 1st control agreement) on the establishment of the Allied Control system which will function in Austria until the formation of a freely elected Austrian Government recognized by the four powers.

The fact that, at the Potsdam Conference, (July 17th to August 2nd, 1945) the four Allied Powers, while discussing the termination of the state of war and the conclusion of peace treaties with Italy, Bulgaria, Finland, Hungary and Rumania, did not adopt similar decisions with regard to Austria, corresponded entirely to the then prevailing and repeatedly corroborated conception of the Allies under which Austria, as a state, was to be liberated, and her evacuation, after free election had been held and a free Government formed, was considered as a matter of course which did not require the conclusion of any peace treaty.

An occupation of Austrian territory by the Allies had become inevitable during the war, a war aiming at the annihilation of the armed forces of Germany and also at the restoration of a free Austria. Furthermore, it was clear to everyone in Austria that this occupation had to be maintained for some time after the liberation in order to disarm the soldiers of the Wehrmacht stationed on Austrian soil, to re-establish public order and public life and to take measures for the restoration, without disturbance, of the sovereignty of Austria. Temporary occupations of a similar character had become necessary in the course of the liberation in other countries such as France and Belgium. But though the conditions for the withdrawal of Allied troops and the restoration of a free and democratic Austria, i.e. free elections, formation of a constitutional government and re-establishment of public order, had been fulfilled as early as November 1945, Austria—to the great disappointment of her entire people—was not treated as the other countries liberated by the Allies—not even as the countries which had gone to war on Hitler's side, and with which peace treaties had been signed years ago.

The reasons which led the four occupying powers to change their original intention to end the occupation of Austria as soon as a stable Austrian Government had been set up, are at-

tributable to world politics and influenced by the contrasting political and ideological concepts of the East and the West.

The decision of the four Allied powers to continue the occupation of Austrian territory until the conclusion of a State (not a peace) Treaty was a bitter disappointment for the Austrian people since, according to the facts of the case, Austria has had and has a just claim, hardly contestable under international law, to regain her full sovereignty even without a treaty (Annex 3). It will

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### Background of Austrian Treaty Negotiations

Starting-point of the negotiations for the Austrian State Treaty, one of the most protracted in diplomatic history, was the Moscow Conference of 1943. On November 1 of that year representatives of the United States, United Kingdom, and Union of Soviet Socialist Republics announced their agreement that "Austria, the first free country to fall a victim to Hitlerite aggression, shall be liberated from German domination. . . . They declare that they wish to see re-established a free and independent Austria, and thereby to open the way for the Austrian people themselves, as well as those neighboring states which will be faced with similar problems, to find that political and economic security which is the only basis for lasting peace" (BULLETIN of Nov. 6, 1943, p. 310). France concurred in this declaration on November 16, 1943.

Deputies of the Four Powers began formal negotiations in January 1947 and held a total of 258 meetings without reaching agreement on a treaty draft. On September 14, 1951, the U.S., British, and French Foreign Ministers, meeting at Washington, announced "that in the view of their Government there is no justification for any further delay in the conclusion of a treaty for the re-establishment of a free and independent Austria. This has been the constant aim since the conclusion of hostilities. They will not desist in their efforts to bring the Soviet Government to the same view and to that end they have decided to make a new and resolute effort in the meetings of the Austrian Treaty Deputies to fulfill the long over-due pledge to the Austrian people."

The 259th meeting of the Treaty Deputies was scheduled for January 21, 1952. The U.S., British, and French Deputies gathered at London; the Soviet Deputy, who had been notified of the meeting a month in advance, failed to appear.

On February 28 the three Western Powers announced that they were "urgently examining new proposals so that the Four Powers may be enabled to fulfill their pledge made in the Moscow Declaration to restore to Austria her full freedom and independence" (BULLETIN of Mar. 10, 1952, p. 379). On March 13 they presented to the Soviet Government a simplified treaty draft which would give Austria full independence (BULLETIN of Mar. 24, 1952, p. 448). Since no response was received from the Soviets, the three Governments sent a follow-up note on May 9 (BULLETIN of May 19, 1952, p. 778), but again no reply was forthcoming.

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be remembered in this connection that the four occupation powers, in their solemn declaration at Moscow, had pledged themselves to restore a free and sovereign Austria. As a matter of course, the Federal Government would have been prepared to conclude with individual states such agreements as might have proved necessary.

In view of the existing situation, the Federal

Government, although continuing to argue that the conclusion of a state treaty was no requirement of International Law, has done everything in its power to maintain an attitude that would facilitate and expedite the negotiations of an Austrian state treaty started by the Allies after their change of policy; in this connection the Government of Austria has courageously faced the extremely heavy burdens contained in the draft treaty, although it appeared doubtful, at times, whether Austria would really be able to shoulder them. This all the more as several years have now passed since the Federal Government has made this concession, only in order to bring about the termination of the occupation with its heavy burdens, while, during all this time, Austria has had and still has to bear the burdens of occupation and to suffer the exploitation of a considerable part of her economy (German assets) and of her natural resources (oil).

In the beginning, the negotiations for the State Treaty left hope for an early conclusion. In fact, at the Conference of Foreign Ministers held in Paris in June 1949, agreement was reached on certain points and the deputies of the four foreign ministers were instructed to resume their work promptly in order to reach an agreement on the draft treaty as a whole not later than September 1st, 1949. (Annex 4; Communiqué of the Paris Conference of Foreign Ministers of June 20th, 1949.)

These instructions notwithstanding, the deputies were unable to reach agreement at the given date; subsequently, in spite of all our concessions and appeals, negotiations were made increasingly difficult by changed international conditions, and finally deadlocked as the Soviet Union continuously put forward new demands which were no longer connected in any way with the Austrian problem. In the end, the Soviet representative failed to appear at the 258th meeting of the deputies.

The protracted occupation of Austria, the duration of which can now not even be estimated, affects Austrian political and economic interests in the most serious manner. The mere fact of the occupation weighs heavily upon the entire population, both physically and morally, and the aggravation of economic strain due to the occupation, apart from preventing a normalization of the economy, causes unrest among the people.

The losses caused to Austria by allied occupation, and the burdens put upon her economy, her land and her financial resources by its continuation are demonstrated by Annex 5.

Well aware of the fact that negotiations cannot be resumed on the basis of the old treaty draft which, moreover, contains a number of financial and economic provisions no longer bearable under prevailing circumstances, and hardly ever acceptable to the Austrian Parliament, the three Western

Allies, according to Austria's demand for the restoration of her full sovereignty and the evacuation of her territory, have transmitted to the government of the Soviet Union the text of a new abbreviated State Treaty (Annex 7) in the form of a protocol of evacuation, on March 13th, 1952. The success of this attempt, on the part of the Western powers, by freeing the country from foreign troops, and by terminating the burdens connected with the occupation which weigh so heavily upon the country and its people, would, of course, achieve the long sought aim of the Federal Government.

However, should all attempts fail to restore Austria's full sovereignty in this way, it is certainly intended to bring the question of the evacuation of Austria and the problem of the State Treaty before the forum of the United Nations, at a given date, and to appeal for their mediation to induce the four occupying powers to evacuate Austria at last and to restore the freedom that is her due.

## **U.S. Views on Austria's Nazi Amnesty Legislation**

Press release 588 dated July 28

On July 18 the lower house of the Austrian Parliament approved three laws granting (1) amnesty to certain implicated Nazis, (2) cancellation of property forfeitures of certain implicated Nazis, and (3) promotions for certain implicated Nazis whose civil-service promotions had been frozen. The lower house also approved a law amending the Third Restitution Law. The amendment provides that persons who had been required under the Third Restitution Law to restitute land to victims of Nazi persecution now have the right to purchase such land without the consent of the original owner. The amendment also provides for the possible reopening of judgments returning their enterprises to victims of Nazi oppression if such enterprises were found to have been indebted at the time of the original deprivation.

The Department of State has informed the Austrian Ambassador at Washington that it is greatly disturbed to have received reports on the above legislation when restitution and general claims problems of victims of nazism still have not been satisfactorily resolved by the Austrian Government, and that it is equally concerned about the action to amend the Third Restitution Law to the detriment of victims of national socialism. Similar representations were made to the Austrian Government in Vienna.

The Department of State is of the opinion that two further laws, passed by the Austrian Parliament on July 18, granting compensation to civil

servants, resident in Austria, for loss of salary and other losses suffered by them during the *Anschluss*, and granting compensation generally to victims of Nazi oppression who reside in Austria, do not adequately meet the request frequently expressed by the Government of the United States to the Government of Austria not to discriminate against such victims on the basis of their present residence or citizenship.

The Acting U.S. High Commissioner in Vienna who is the U.S. representative on the Allied Council, the body to which the above legislation will be submitted for consideration, has been informed of the views of the Department.

## Propaganda at Red Cross Conference

Press release 599 dated July 30

*Following is the text of extemporaneous remarks made to the press at Toronto on July 30 by Charles Burton Marshall, Chairman of the U.S. Observer Delegation to the International Red Cross Conference currently in session at Toronto, and a member of the Policy Planning Staff of the Department of State. Mr. Marshall's statement was issued as a result of two resolutions introduced by Communist delegations alleging mistreatment of prisoners of war by the U.N. Command in Korea and use of germ warfare.*

The purpose of the U.S. Government Observer Group at the International Red Cross Conference is solely this: to help forward the humanitarian work in which the American Red Cross Society and the sister Red Cross Societies of other nations and the Red Cross world as a whole are engaged.

The question which now arises—and it is not given to us to answer it—is, when can we get ahead with the legitimate business of the Red Cross?

Several delegations in attendance have not the slightest interest in the humanitarian work of the Red Cross. They are not putting on an act here. In their frame of thinking a society that exists for humane purposes, applying to all men irrespective of individual differences, simply is impossible. They understand human relations only in terms of conflict. They are here for fomenting conflict and for no other purpose.

They are using this place as a sounding board not only for political conflict in the international aspect, but also, and this is even more significant—for purposes of political conflict between the ruling groups of these countries and their own peoples.

There is no mystery to this perpetual hammering away at the subject of biological warfare. The governments of the countries in question face grave problems growing out of the lassitude—the inertia of disbelief—among their own peoples. The Red

Cross Conference is being used as a rostrum from which to produce propaganda in the form of the fiction of a ruthless enemy—all this in the hope of getting some pickup in the flagging efforts of the peoples who live under those tyrannies.

Mark this also. They are using this Red Cross meeting for purposes of trying to undermine the credit of the United Nations.

Men of good will everywhere—and I include those who still entertain hopes of a better day while living under the burdens of oppression—will feel deep regret at this attempt to use a humanitarian forum as a means of trying to hurt the effectiveness of that great international organization which works in the political sphere.

This attempt to discredit the United Nations will fail wherever men are still free to discuss facts and know the truth. It is not only to these that this propaganda is being directed; it also is aimed toward the domestic audience behind the Iron Curtain.

I want to say a word about two resolutions introduced in the General Commission this morning.

The resolution put forward by the Polish Delegation relates to adherence to the Geneva Protocol of June 17th, 1925, concerning the bacteriological weapon. This constitutes merely one more in a long series of efforts of the Iron Curtain delegations to move the present conference from a neutral and humanitarian plane to a political and polemical plane.

The Polish resolution actually is merely a paraphrase of the draft resolution which was submitted to the U.N. Security Council last June by Soviet Representative Jacob Malik. This resolution was fully considered and rejected by the Security Council. It obtained only one vote—that of Soviet Russia. The other 10 members of the Security Council abstained. The Polish draft resolution therefore has already met with rejection in the United Nations. This resolution refers to the old charge of biological warfare. I do not want to get into the details of that hoary fiction. Let me instead invite to your attention a fine and comprehensive statement on the subject drawn up by three scientists of the host country of this conference (Canada) and tabled in the House of Commons at Ottawa. I hope all of you have it.

It is a travesty on the decency and high principles of the International Red Cross to project this subject into the conference.

I want to mention also the resolution put forth by the Chinese Communist regime's representatives and the corresponding Red Cross group. It concerns the conduct of the resistance to aggression in Korea.

This is an anti-United Nations resolution. It is a shabby attempt to put the International Red Cross on record against the United Nations. It is a resolution to abuse the Red Cross by making it into something to give comfort to aggression.

## Economic Foundations for Lasting Peace

*On July 19, 1952, President Truman presented to the Congress his Midyear Economic Report, together with the Midyear 1952 Economic Review prepared for the President by the Council of Economic Advisers.<sup>1</sup> Excerpts from the President's Report and from the Economic Review follow:*

### **PRESIDENT'S MIDYEAR ECONOMIC REPORT TO THE CONGRESS**

*To the Congress of the United States:*

This Midyear Economic Report appears at a time when the 82nd Congress has adjourned, and when the Congress may not again be in session until January 1953. For this reason, the Report does not contain specific legislative recommendations. It is limited to a broad view of the Nation's economy, its current condition of strength, and its prospects and problems for the future.

It is highly desirable that these matters now be placed before the American people and their representatives. During the coming months, issues of economic policy will be widely discussed throughout the land.

Nobody can expect, and it would not be desirable, that everybody view these problems in the same light or propose identical solutions. The strength of our free institutions rests upon free debate and free decisions by the people.

But in these trying times, while some issues will continue to divide us, we must seek out and stress those things which hold us together.

We face a common danger in the world—the communist menace. We share common aspirations for our domestic economy—stability, justice, and advancing prosperity.

There are certain facts that we should all know and accept. These facts converge upon one inescapable conclusion: America has the economic strength, while fulfilling its domestic responsi-

bilities, to build with other free nations the conditions for a more enduring peace. America cannot afford to relax in this effort, in the false fear that we do not have the strength to carry through.

This country, from the time of its formation, has passed successfully through many trying times. This success has not come through doubting our own ability. It has not been achieved by trying to get by with lower exertions and costs than were necessary to do the job.

Yet every day one hears some expression of opinion that our security efforts are weakening us at home, and that we must reduce them in order to save ourselves. Many who hold this view are entirely sincere. The trouble is that they have not examined all the facts. I am confident that, when they do so, they will join in the realization that danger lies in believing wrongly that we are weak. Our strength commences with knowing that we are strong—and becoming stronger.

The facts reveal beyond question that the security programs now being undertaken are not even threatening—much less depleting or impairing—the strength of our domestic economy. Despite the burden of these programs—and they are a real burden—our business system has been doing better and our people have been living better than ever before.

Our just pride in these facts should be tempered by the sobering realization that the burden of resistance to aggression is pressing very heavily against the living standards and productive opportunities of other free peoples. They are just as desirous of achieving freedom and security as we are. But the resources they can devote to building economic and military strength are much more limited than ours, because they have far less of a margin above the absolute necessities of life. Under these circumstances, the help we give them can return many times its cost in greater security for them and for us. The record of the recent years shows that this is true—and the contrast between our own economic situation and that of other free peoples shows how fallacious is any claim that we are doing more than our part.

<sup>1</sup>For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C. at 50¢ a copy (paper bound).

The people of the United States have proved that they could stand up under adversity whenever the need arose. But we also draw inspiration from achievement. It speeds us forward to even greater achievement. The facts about the strength and progress of the American economy since the Korean outbreak should be made clear to all. These facts can provide the clearest guide to the actions we should take.

The presentation of these facts can also strengthen our position in the free world. Communist propaganda is founded upon the false idea that the American economy cannot maintain its strength. Even some of our friends abroad are concerned about the future of the American economy—which they regard as the bulwark of the hopes of free men everywhere. The truth about our economic situation should also be brought home to them.

### **Economic Relations With the Free World**

There is general agreement that we must join with the free world in the development of military strength. But there is not yet in this country an equally general understanding that the military security of the free world is inseparable from its economic future. This is true because economic strength is the source of military strength, and because no nation can maintain either the means or the morale to maintain a great defense effort in a period short of total war unless its economic conditions are at least tolerable. It is true for the even more important reason that the free peoples of the world want not only to be secure from military attack; they also want to live as free men should live. They want adequate food and clothing, housing, and medical care. They want to advance their industrial arts, so that they will have the productive power to achieve these ends. These aspirations are not only worthy; they are vital.

The United States would be in much greater danger, if the people of any substantial portion of the free world should come to believe that we are not interested in their human aspirations, but interested only in helping them to arm in order to help defend ourselves. This would provide the communists with a propaganda weapon against which counter-measures would be extremely difficult.

Recent actions by the Congress have displayed a failure to appreciate in full the importance of these facts. But facts have a way of persisting, and I am sure the time will come when the Congress will respond to them fully. I can only hope that it will not be too late.

The people of the United States have gained more through the maintenance of freedom than any other people in the history of the world. Hence we have the most to lose if freedom is lost, and we cannot enduringly remain free unless freedom predominates in the rest of the world.

There is nothing in our own history, or in the history of all human events, to indicate that freedom can be maintained without cost and effort. It costs a lot to maintain freedom, in money and material things, in human understanding, and sometimes in blood. To avoid an incalculable cost in blood, we must be prepared to sustain a great effort in money and material things and in human understanding.

The building of military security is only a first stage in this long effort. We must be prepared, while that first stage is going forward, and increasingly after it is completed, to make our fair contribution toward a more prosperous free world. And a more prosperous free world will mean a more secure free world.

In this long effort, the kind of emergency aid which we have thus far been extending will need to be supplemented and then increasingly supplanted by a more normal flow of capital from the United States to other countries. This, in turn, will need to be accompanied by more realistic appreciation that exports must in the long run be accompanied by imports.

It is disturbing to note that, despite the high level of employment in the United States, pressures have been growing recently to restrict imports. Embargoes on importation of foreign products, increases in duties on imported goods, and numerous requests for other increased duties, are some examples of how these pressures for restriction of imports have manifested themselves. The pressures for restrictionism have generally been exerted with too little consideration for the effects that the measures have on our security objectives, and on economic policies consistent with our position as a creditor nation.

Trade restrictions have a direct impact on United States programs to strengthen the free world. The joint defense effort must be built on a solid foundation of strong nations acting together. We cannot consistently throw up barriers here, while, at the same time, we urge the creation of a close partnership in the North Atlantic community. Inconsistencies of this sort undermine the basis on which our position of leadership rests. In addition, the economies of our friends are much more dependent on foreign trade than the economy of the United States. If they are unable to earn dollars to pay for those essential commodities which they now purchase in the dollar area, they will be under additional pressure to secure them in other areas of the world, including the Soviet bloc.

The encouragement of economic conditions which will enable the other free nations to pay their own way is the goal that we must seek, as a transition from the emergency conditions which have made it essential for us to extend temporary aid.

The way to get out of an emergency is not to pretend that the emergency does not exist, but



instead to remove the conditions which have produced the emergency. Communist subversion will present no great threat to the free world, as the free world achieves economic stability and further economic progress. Communist aggression may still continue to be a threat, but the free world will then have the clearly apparent power to resist any such aggression. We must continue, with courage and vision, to help create the conditions in the free world which will provide the only dependable foundation for lasting peace.

#### **MIDYEAR ECONOMIC REVIEW BY THE COUNCIL OF ECONOMIC ADVISERS<sup>2</sup>**

United States commodity exports reached an all-time peak of about 16 billion dollars (annual rate) in the first half of 1952. The main events elsewhere which have affected United States trade are discussed in the following paragraphs.

*International payments.* The last months of 1951 and the first months of 1952 found most countries of the free world reacting from the sudden impact of the Korean war. Memory of war-time shortages, readily available credit, and expanded defense production, had brought a tremendous increase in demand for goods at all stages of production, an expansion of output throughout the world, and rapidly rising incomes and prices. The prices of primary products had experienced the sharpest rises, increasing the incomes of most of the countries exporting raw materials, but causing a fairly severe worsening in the terms of trade of most of the industrialized countries. Western Europe's balance of payments situation was further aggravated by abnormally large imports of coal and oil from the United States, necessitated by a lag in the output of coal behind industrial production and the cessation of oil exports from Iran. The United Kingdom also lost earnings as a result of the impasse over Iranian oil.

Countries which had reacted earliest to changing market prospects by heavy inventory accumulation, such as Belgium, The Netherlands, and Germany, experienced balance of payments deficits in 1950 and early 1951, and had already taken steps to remedy their position by the summer of 1951. In England and France, on the other hand, stocks were drawn down after June 1950, and these countries then imported more heavily at the high level of prices prevailing after the first quarter of 1951. Their balance of payments troubles were further aggravated by a flight of capital induced by fears of currency depreciation, and by the corrective measures taken in some other countries which held down British and French exports.

<sup>2</sup> Submitted to the President on July 16, 1952. Members of the Council of Economic Advisers are Leon H. Keyserling, chairman, John D. Clark, and Roy Blough.

The leveling-off of consumer spending and business buying that accompanied the stabilization of prices and money incomes brought depressed conditions to the textile industry throughout the free world, revealing a basic structural problem in this industry. In almost every country, large and small, industrialized or underdeveloped, the second half of 1951 and the first of 1952 found unemployment and unused capacity in woolen mills, and, to a smaller degree, in cotton mills. In part, this world-wide situation is explained by the fact that rising raw materials prices in the last half of 1950 led to speculative purchases of textiles by dealers, with the result that production soon outran sales, and inventories were built up. At the same time, consumer demand slackened, Germany and Japan reappeared on the world market as textile exporters, and balance of payments deficits in various parts of the world forced curtailment of imports, causing the exports of large textile producers to be reduced.

Although these were the precipitating factors in certain countries, the world-wide depression in textiles also reflects an older and more fundamental malaise than these short-run factors suggest. The secular development of synthetic fibers, which are being increasingly substituted for the natural, affects not only the producers of cotton and wool throughout the world, but insofar as the new fibers require new spindles and looms also affects the manufacturers of other textiles. Furthermore, the world-wide growth of the textile industry, in both industrialized and underdeveloped countries, has caused an expansion of productive capacity in certain lines beyond the level of demand at current prices, despite the existence of great need.

The decline in textile production accounts for the preponderant part of the recent increases in unemployment in Western Europe, as table 19 indicates,<sup>3</sup> and for a proportion of total unemployment which is far greater than the importance of the textile industries in their total economies.

Despite the depressed textile market and a leveling off of total industrial production, there is no evidence of a general recession of demand in Europe such as would have serious adverse effects on the United States economy. The stability appearing in the index of industrial production for Western Europe in the first part of 1952 reflects strong demand in the remainder of the European economy, especially in the metal and metal-using industries. In almost every country, output of metal products for the first quarter of 1952 was substantially above that for the same period of 1951; in particular, steel production in the first 4 months of 1952 was 9 percent above the same period of 1951 for the area as a whole. The easing of demand for consumers' goods may be expected

<sup>3</sup> Appendix tables and charts referred to in this Review are not printed here.

to facilitate a shift of manpower to industries where it is urgently needed.

In other parts of the world, national economies were characterized by similar developments. Textile production in India and Japan was larger than sales in the second half of 1951 and in the first months of 1952, in part because of reduced export demand. Increased activity in the metal industries of Japan caused the level of industrial production in the first quarter of 1952 to be nearly 20 percent above 1951. In the underdeveloped countries, production of industrial primary products in general continued at high levels.

Whether the increases in output and greater stability of prices achieved by most countries of the free world in the first half of 1952 will be maintained depends to a considerable extent on developments in the United States and other industrialized countries. Assuming no change in the international political outlook and the maintenance of a high rate of economic activity in the United States, accompanied by a moderate expansion of imports and foreign aid expenditures, other countries are likely to be able to maintain the improved overall stability experienced in recent months.

Meanwhile, the slackening of consumers' and business purchases of finished goods and raw materials, which started in the United States in early 1951 and spread to other industrialized countries, led to declines in the prices of many primary products. Countries exporting primary products suffered declines in export prices after the first quarter of 1951, while in some cases imports continued to expand. As a result, payments surpluses were reduced, and in many cases were transposed into deficits and loss of reserves by some of the countries of Latin America, Africa, Asia, and the Pacific. By the end of 1951, the balances of payments of most industrial countries had improved, but those of a number of raw material producing countries and of the United Kingdom and France had deteriorated seriously.

Underlying many of the factors described above, and accentuating the balance of payments problems of many deficit countries, was the general expansion of their money demand and incomes. Open or suppressed inflation, supported by the pressures of internal investment from both public and private sectors, contributed to deterioration of balance of payments positions, mainly because of its stimulating effect on imports.

It is important to note that the balance of payments deficits experienced by England and France at the end of 1951 did not result from an absolute decline in exports, but rather from a failure of exports to rise as rapidly as imports, even though exports were reaching unprecedented levels. The exports of both countries in the fourth quarter of 1951 were at an all-time high in value, while the quantity of exports for the entire year 1951 also

set new records, and the volume of exports from the United Kingdom in the first quarter of 1952 set a new high. On the other hand, in certain countries exporting mainly primary products, notably Australia and Argentina, government policies of the last several years to encourage manufacturing industries contributed to actual reductions in supplies of foods available for export.

*Corrective measures.* The steps taken to correct the balance of payments situations in most countries of the world recognized the role of internal monetary forces. Although direct controls over imports were made more stringent, in general a larger role was given to internal credit and fiscal measures than in the preceding postwar balance of payments crises. Interest rates were raised, and credit was restricted in an effort to keep effective demand at levels consistent with the countries' resources. The increasing reliance of Western European, and also other countries, on monetary and credit controls was partially due to a reluctance or inability to tighten direct controls further or to increase taxes, which in some cases are very high. Even without import restrictions and active anti-inflationary policies, however, it is likely that the rate of imports of some nations would have declined, because of a reduction in the abnormally high rate of inventory accumulation.

*Developments in the first half of 1952.* During the first half of 1952, there was evidence that most of the free world had achieved or was achieving price stability at a high level of economic activity. By early spring, most European countries and others in Asia and the Western Hemisphere had experienced moderate declines in wholesale prices, although in certain countries, for example, Australia, New Zealand, and South Africa, domestic wholesale prices reached new highs. In some countries, such as the United Kingdom, Germany, and the Scandinavian nations, where the peak in wholesale prices came near the end of 1951, cost-of-living indexes rose somewhat further. (See appendix table B-24.) Industrial production, which had expanded rapidly and continuously from June 1950 to the spring of 1951, leveled off in Western Europe and other industrial countries. (See chart 22.) The leveling-off of industrial production was the net result of a continued rise in defense expenditures and strength in markets for capital goods, combined with weaknesses in markets for consumers' goods and certain related raw materials. The prices of hides and wool, for example, started to decline in the second half of 1951, and at the end of the first quarter of this year reached a low which was considerably below their pre-Korean level. Although these prices have since recovered somewhat, they have recently fluctuated about a level substantially below that of June 1950. Prices of tin and rubber, much influenced by controlled buying in the United States,

have declined sharply from their post-Korean peaks, the price of rubber in fact having fallen below the pre-Korean level. In the first half of 1952, purchases of rubber, which had been made solely by the General Services Administration, were returned to private buyers.

*United States imports.* Commodity imports in the first 5 months of 1952, although below the same period in 1951, were at a rate 11 percent higher than during the last half of 1951. (See appendix tables B-43 and B-44 for data on merchandise imports, and appendix table B-38 for data on all imports.) Most of the movement in imports between the first quarters of 1951 and 1952 can be accounted for by 8 commodity groups: coffee, cocoa, wool, sugar, tin, nonferrous ores and concentrates, rubber, and gas and fuel oil. Although these commodities accounted for only 41 percent of the value of our total commodity imports in the first quarter of 1951, they accounted for 82 percent of the decline in the value of our commodity imports from the first to the fourth quarter of 1951. Similarly, from the fourth quarter of 1951 to the first quarter of this year, they accounted for 94 percent of the increase in the value of our commodity imports. Only a part of these movements can be accounted for by seasonal changes; to a considerable extent, they reflected the effect of the preceding consumption of inventories, which made it necessary to increase imports to levels more nearly in accord with current consumption.

After an agreement in January between the governments of the United States and the United Kingdom providing for the purchase of steel by the United Kingdom and of tin and aluminum by the United States, the United States resumed purchases of tin which it had ceased to buy for several months.<sup>4</sup> A decline in the foreign price for lead and zinc, resulting from greater world production and large foreign stocks, brought increasing imports of these metals. Their foreign prices declined to the level of United States ceilings, and then caused United States prices to fall below the ceiling level. The first months of 1952 also brought increased imports of natural rubber, as well as seasonably high imports of coffee, wool, sugar, and cocoa.

Although the value of commodity imports in the first quarter of 1952, an annual rate of about 11 billion dollars, was somewhat below the level of the first quarter of last year, the resulting decline in the total of dollars available to foreigners was fully counterbalanced by an increase of 800 million dollars (annual rate) in Government purchases of services abroad. Other service imports remained about the same, with the result that total imports of goods and services in the first quarter of this year were at an annual rate of 15.6 billion dollars, approximately the same as a year earlier,

and it is believed that they remained close to this rate in the second quarter. (See chart 23 and appendix table B-38.)

*Other means of financing exports.* United States Government aid, which had declined after the second quarter of 1951, continued to decline in the first quarter of 1952, but rose again in the second quarter to the level reached in the same period of the preceding year. (See table 20 and appendix table B-40.) This rise from the first to the second quarter was chiefly the result of an expansion in military aid, although economic aid and defense support increased somewhat. At the same time, there was an increase in private capital exports between the first and second quarters of this year. The increase in aid and in private investment, along with an apparent decline in the flight of capital (unrecorded transactions), enabled foreign countries in the aggregate to stop the decline in their gold and dollar assets which had been going on since mid-1951. According to preliminary estimates, there was in fact some net accumulation in the second quarter of this year, largely on the part of Canada and Indonesia, but with the gains distributed quite widely, in Europe as well as elsewhere. The sterling area, which lost a very large volume of gold and dollar assets in the first quarter of this year, maintained these assets substantially unchanged in the second quarter, partly with the help of a substantial increase in United States aid.

*United States exports.* Despite the internal measures taken by several nations to restrict effective demand, United States merchandise exports, excluding military supplies, maintained during the first 5 months of 1952 the high levels achieved during the last part of 1951. If military supplies are included, exports were more than 12 percent above the level of the same period of 1951. (See appendix tables B-41 and B-42 for data on merchandise exports and appendix table B-38 for data on all exports.) The failure of these measures to reduce the level of United States exports up to now is in part the result of the fact that a decline in imports of some goods from the dollar area was offset by a rise in imports of foodstuffs and other essential goods; in part it is evidence of the lag between the adoption of these measures and the appearance of their effects in shipments data.

### **International Economic Policy**

There has recently been growing pressure to increase restrictions on the entry of imports into the United States—through amendments to the Defense Production Act, through use of the “escape clause” to revoke concessions made in reciprocal trade agreements, and in other ways. The tendency to seek increased protection when domestic markets soften is a natural one. The Government,

<sup>4</sup> For a communiqué relating to this U.S.-U.K. agreement, see BULLETIN of Jan. 28, 1952, p. 115.

in determining its course, must always endeavor to administer its policies in a manner which minimizes injury to individuals. But in considering requests for increased restrictions upon importation, the Government must also consider the general economic effects of such restrictions and their consistency with other public policies.

Effective increases of import restrictions raise prices to domestic users, and, under normal conditions of trade, also force foreign countries sooner or later to cut their purchases from us. In the long run, the artificial curtailment of trade generally reduces efficiency in the use of economic resources, and thereby reduces the total amount of output. These considerations, being well known, need not be elaborated here. In addition to them, however, is a newer consideration arising out of the fact that some of the countries whose trade would be affected by increased United States import restrictions are receiving foreign aid.

This country has extended foreign aid since the end of the war because, after repeated and thorough public discussion in connection with the loan to the United Kingdom, the European Recovery Program, the Mutual Defense Assistance Program, the Mutual Security Program, and other programs, it was concluded that the volume of goods which a number of foreign countries should be enabled, in our joint interests, to import was greater than the volume they could finance solely through their exports of goods and services and the flow of our private capital and private gifts. It has been generally recognized that, if these countries are to become self-supporting, and if underdeveloped countries are to increase their borrowing capacity so that sound loans and direct investments can be substituted for grants from the United States, they must increase their exports. When we place increased restrictions upon their exports to us, and thus upon their dollar earnings, however, we increase their need for aid, and to that extent defeat our own policy of helping them to get along without it. Thus some of the burden of such restrictions falls upon the United States taxpayer, who finances a larger volume of aid than would otherwise be necessary. Even if we were to provide no additional aid in response to the increased need, such measures reduce the ability of the countries affected to repay the loans we have already extended to them.

Purchases from us by foreign countries, whether or not they receive aid, are limited by their dollar receipts. To the extent that we restrict imports without increasing foreign aid, and avoid a reduction of foreign payments on our public and private investments, our exports are certain to be reduced. The gain in sales, profits, and employment by the domestic industry which is given increased protection is then made at the

expense of sales, profits, and employment in industries producing for export, a fact which most producers for export appear to have been slow to recognize.

It is clear that the policies of helping other countries to become more fully self-supporting, and of reducing the strain on our economy, both require an expansion of imports. This establishes a strong presumption against increases in our barriers to imports. Indeed, the Council believes that in the years ahead further reductions in our import barriers will be found to be in the national interest.

Another major aspect of international economic policy relates to the export of capital from the United States to other countries. Many of the less-well-developed nations have come to recognize their potentialities for economic development. In the nature of the case, their development will be very slow, if it must be based entirely on their own current saving. For these countries, the importation of capital is essential.

The raising of economic levels throughout the free world is a matter of vital interest to the United States. Economic development not only raises living standards and facilitates cultural and political advance within the developing country; it also increases the supply of needed goods for other countries. More important, economic development is necessary for the achievement of the world-wide peace and tranquillity, which are vital if our own economic future is to be a favorable and secure one.

The economic development of the United States during the nineteenth century was speeded and advanced by capital investment from abroad. The shoe is now definitely on the other foot. The economy of the United States is now relatively far advanced, and has been exporting capital for a generation. However, in the present state of world insecurity, little tendency is being shown for private capital from the United States to be invested overseas, except to secure raw materials, particularly oil and metals.

The policy of the United States has been one of encouraging investment abroad. We believe this policy should be continued and expanded. To the greatest extent possible, investment abroad should be through private channels. In the existing situation, however, it is not likely that private capital will go abroad in any very large stream without improved private institutional arrangements or further positive encouragement by the Government. Further efforts are needed in order to achieve a mutually desirable flow of capital from the United States to the less developed countries. Sound methods for encouraging such investments should be under continuing study of promotion.

## Report of U.N. Command Operations in Korea

FORTY-FOURTH REPORT: FOR THE PERIOD APRIL 16-30, 1952<sup>1</sup>

U.N. doc. S/2700  
Transmitted July 11, 1952

I herewith submit report number 44 of the United Nations Command Operations in Korea for the period 16-30 April, inclusive. United Nations Command communiqués numbers 1236-1250, provide detailed accounts of these operations.

The sub-delegation meetings on agenda item 3 continued until 19 April with no progress being made on the remaining issues. On 19 April the Communists proposed that the Staff Officers' meetings on agenda item 3 be resumed on the following day. The United Nations Command sub-delegation agreed. Staff Officers' meetings on agenda item 3 continued through 27 April with discussion centering on:

(a) The restrictions on reconstruction and rehabilitation of airfields and

(b) The acceptance of the Soviet Union as a member of the Neutral Nations Supervisory Commission.

On 28 April plenary sessions were resumed. The United Nations Command proposed an overall solution of all remaining problems, including the basis of exchange of Prisoners of War. The United Nations Command proposed, and the Communist delegation agreed, to the conduct of executive sessions until such time as either side may elect otherwise.

Executive sessions at Staff Officer level on agenda item 4, which had been originally agreed to by both sides in order to allow maximum freedom of discussion, were abrogated unilaterally by the Communists on 25 April. The United Nations Command was able, for the first time since executive sessions started on 25 March, to release

the entire scope of the negotiations conducted during this period. This unilateral termination by the Communists of the executive sessions brought to a climax the long series of fruitless attempts on the part of the United Nations Command to achieve an equitable and honorable settlement of the issues involved.

During the executive sessions and in the open sessions which preceded them, agreement had been reached on a number of matters relating to Prisoners of War; but on the primary issues, the basis on which Prisoners of War were to be exchanged, the positions of the Communists and the United Nations Command were diametrically opposed. The Communists have been adamant in their demand for unconditional return of all Prisoners of War held by each side; a demand absolutely unacceptable to the United Nations Command because it would almost certainly mean death or torture for the thousands of United Nations Command-held prisoners who signified their determination to resist return to Communist control.

On two related issues the views of the Communists and the United Nations Command were violently opposed. The Communists attempted to lay claim to 37,000 South Korean civilian internees held by the United Nations Command who early in the war had largely been impressed into the North Korean army. At the same time the Communists refused to account for more than 50,000 persons admittedly captured by them but whose names were not on the prisoner lists submitted at the time such data were exchanged last December. Their only accounting for this group was the allegation that they had been released at the front, had died, or had been permitted to join their armed forces.

Discussions in the open sessions dragged on, sometimes under extremely trying circumstances. In an effort to create the most favorable possible atmosphere in which the detailed position of each side could be examined and discussed without the necessity for publicity to which the Communists appeared particularly sensitive, the United Nations Command proposed that executive, or secret, sessions be held.

On 25 March the first secret session was convened. The United Nations Command position on forced repatriation was made unmistakably clear. The Communists indicated their willingness to negotiate but only on condition that the United Nations Command would provide an estimate of the total number of persons the Communists would expect to have returned to their side. The United

<sup>1</sup>Transmitted to the Security Council by the acting representative of the U.S. to the U.N. on July 11. Texts of the 30th, 31st, and 32d reports appear in the BULLETIN of Feb. 18, 1952, p. 266; the 33d report, *ibid.*, Mar. 10, 1952, p. 395; the 34th report, *ibid.*, Mar. 17, 1952, p. 430; the 35th report, *ibid.*, Mar. 31, 1952, p. 512; the 36th and 37th reports, *ibid.*, Apr. 14, 1952, p. 594; the 38th report, *ibid.*, May 5, 1952, p. 715; the 39th report, *ibid.*, May 19, 1952, p. 788; the 40th report, *ibid.*, June 23, 1952, p. 998; the 41st report, *ibid.*, June 30, 1952, p. 1038; the 42d report, *ibid.*, July 21, 1952, p. 114; and the 43d report, *ibid.*, Aug. 4, 1952, p. 194.

Nations Command explained that since no poll of the individual preferences of prisoners had been taken, there was no basis for any reliable estimate of the number available for return. However, the United Nations Command guaranteed the return to the Communists of every North Korean and Chinese Communist prisoner who desired to return to Communist control. But in no case would the United Nations Command employ force to insure the return of any person who resisted repatriation. As a further indication of desire to effect the most equitable settlement of this issue, the United Nations Command agreed to permit any South Korean Prisoner of War or civilian internee to transfer to the Communist side if he so desired.

Continued insistence on the part of the Communists for a round number of persons to be returned to Communist control compelled the United Nations Command to initiate a screening program for all persons held in custody in the camps at Koje Do and Pusan.

The screening program was designed to determine the number of North Korean and Chinese Prisoners of War who could not be returned without the use of force to Communist control and to give the nationals of the Republic of Korea held in custody by the United Nations Command, either as Prisoners of War or civilian internees, freedom of choice to be returned to Communist control or to remain in the Republic of Korea.

During a twenty-four hour period prior to the screening, North Korean and Chinese Communist Forces Prisoners of War of each compound on Koje Do were carefully informed of the fact that they would be interviewed for the purpose of determining whether or not they would forcibly oppose repatriation. The prisoners were briefed not only on the importance of this decision, which was to be final, but on the fact that for their own safety they should not discuss the matters with others or make known their decision before the individual interviews were held.

The interviews were conducted by unarmed United Nations Command personnel near the entrance to each compound. Each prisoner, carrying his personal possessions, was called forward individually and interviewed in private. Highly qualified personnel conducted the interrogations.

The series of questions used in the interview was designed to encourage a maximum number of prisoners to return to the Communists' side, not to oppose such return. The first question was designed to identify those who clearly desired to return. In the case of Chinese prisoners, the first question was: "Would you like to return to China?" In the case of North Koreans, the first question was: "Would you like to return to North Korea?" If the answer was in the affirmative, the prisoner was listed for repatriation without further questioning. Those who replied in the negative were subjected to additional questions designed to determine whether their opposition was nominal or whether they would violently oppose repatriation. The second question was: "Would you forcibly resist repatriation?" If the answer was "No" the Prisoner of War was listed for repatriation. If the answer was "Yes" the Prisoner of War was asked four additional questions to fully determine his attitude. These were: "Have you carefully considered the important effect of your decision upon your family?" "Do you realize that you may stay in Koje Do for a long time—even after those who choose repatriation have already returned home?" "Do you understand that the United Nations Command has never promised to send you to any certain place?" "Do you still insist on forcibly resisting repatriation?" And then, perhaps the most important question, "Despite your decision, if the United Nations Command should repatriate you, what would you do?" The prisoner was listed for repatriation unless during the questioning he mentioned suicide, fight to death, braving death to escape, or similar intentions. As a result of these procedures all Prisoners of War were included among those to be repatriated except those whose opposition to return was so strong that they would attempt to destroy

themselves rather than return to Communist control. A more humane, impartial, and conscientious procedure could not be devised.

Prisoners of War and civilian internees in custody at the hospital compound in Pusan were screened under similar procedure.

As a result of the screening, in which Prisoners of War and civilian internees were interviewed to ascertain their decisions, approximately 70,000 Prisoners of War and civilian internees will remain on Koje Do to await repatriation to the Communist authorities following an armistice.

This was the number reported to the Communists and must be the basis on which any future negotiations are conducted.

The Communists attempted to secure agreement to conduct open Staff Officers' sessions. However, it was evident that they intended to make no reasonable attempts to move toward settlement of the Prisoner-of-War issue and that their offer meant only an opportunity for them to continue an unscrupulous propaganda campaign to distract the attention of the world from the basic problems involved in the negotiations. The United Nations Command recessed immediately in preparation for movement to plenary sessions as the most logical step to solve the unresolved issues. The Communists agreed to convene plenary sessions on 28 April, at the opening of which the United Nations Command informed the Communists that we were prepared to present an overall solution of the problems remaining to be settled. In response to the United Nations Command suggestion that the executive session form of meeting was the most suitable for this purpose, the Communists agreed that negotiations in plenary session would be withheld from the public. Both sides agreed further that the executive sessions could be discontinued at the request of either side. At the conclusion of the first conference, the Communists recessed to reconvene at the time of their choosing.

The status of agenda item 5 remains unchanged from that reported in United Nations Command Report number forty-three.

Enemy ground action was highlighted by small scale attacks on the central and east central sectors of the United Nations Command front, where he employed units of up to two-company strength. Effective enemy reactions to United Nations Command patrolling and probing efforts continued. He is still reluctant to allow access to the ground he controls and is determined to abruptly halt or drive back such United Nations Command actions. Enemy aggressive action usually starts during the hours of darkness and is supported by artillery and mortar fire. The heaviest of these fires was concentrated on the eastern front. Enemy positions and capabilities remained unchanged, although an inter-Army relief took place in the central sector.

The most aggressive action on the western front against United Nations Command units took place in the Hung-wang-Punji sector from 15 through 17 April when hostile forces launched two attacks. The larger of these attacks involved a company which was repulsed by United Nations Command elements in the Punji sector on the night of 15-16 April. The following night two enemy platoons attacked the same sector. Other than these two unsuccessful hostile actions the enemy was content to intercept United Nations Command patrols and probing attempts and to continue to improve his defensive battle line positions. A minor order of battle change took place on the western front when a Chinese Communist Forces Army replaced one of its Divisions with two Divisions which had been in reserve. This is a normal change and conforms to the enemy policy of relieving front line units for rest and reorganizing purposes.

The normally quiet central sector was the scene of the most aggressive hostile action along the entire United Nations Command front. Enemy units launched small scale aggressive attacks of up to two-company size supported by artillery and mortar barrages. These attacks

ranged along the central sector from northeast of Kumhwa eastward to the Pukhan River. The most noteworthy action took place in the Kumsong area on the night of 16-17 April when two enemy companies attacked during the hours of darkness, under cover of rain and fog. This action, fought for eight hours, was ended by a successful United Nations Command counterattack. A two-company attack in the Yulsa area on the seventeenth and a company attack in the same area on the eighteenth were repulsed without loss of ground and with a minimum of casualties. Friendly elements in the Talchon area were temporarily forced to relinquish an outpost on the night of 16 April when two companies attacked, but the position was regained after a brief counterattack. United Nations Command tank elements fired on positions in the Suta area on 16 April during daylight, inflicted over 200 enemy casualties and caused extensive damage to hostile bunkers and trench networks.

Hostile action along the eastern portion of the United Nations Command front consisted of patrol clashes and interceptions with very little initiative being shown by enemy forces. During this period enemy artillery and mortar units in the Tupo-Yuusil area of the eastern front expended almost half of the total reported delivered against United Nations Command units on the entire front.

From 16 to 18 April, inclusive, the Sixth and Seventh Companies of the Seventh Republic of Korea Regiment, Sixth Republic of Korea Division, performed in an outstanding manner by holding a critical terrain feature in the face of enemy attacks in superior numbers. Results were 163 known enemy dead, fifty estimated dead and two prisoners. Friendly losses were thirty-five killed and 117 wounded. This action reflects great credit upon these units and their supporting elements and illustrates the integrity and determination of the Republic of Korea Army.

United Nations Command jet- and propeller-driven aircraft, operating from the fast carriers in the Sea of Japan, flew against Communist transportation facilities and supply routes in North Korea. The attacks were concentrated on vulnerable rail lines along the east coast of Korea.

Rail lines were cut and bridges, by-passes, and rail cars were destroyed. Additional destruction and damage included trucks, barracks, warehouses, locomotives, gun positions and many small vessels.

United Nations Command carriers continued to operate in the Yellow Sea. Their planes furnished cover and air support for surface units on blockade patrols and anti-invasion stations. They also flew reconnaissance missions and offensive strikes over the Chinnampo area and Hwanghae Province and in close support of the front line troops. Rail cars, warehouses and motor vehicles were destroyed and many enemy casualties were inflicted.

Patrol planes conducted daylight reconnaissance missions over the Sea of Japan and the Yellow Sea and also flew day and night patrol and weather reconnaissance missions for surface units in these same areas.

The Naval blockade continued along the east coast from the bomblines to Chongjin. Surface units made day and night coastal patrols to fire on rail targets along the coastal line. Vessels continued a siege of major east coast ports with Wonsan, Hungnam and Songjin kept under almost continuous harassment. The Communists were denied the use of coastal waters for shipping and fishing as all attempts to go to sea were taken under fire and broken up. Fire support vessels at the bomblines provided gunfire for the front line troops as far as twenty miles inland.

Enemy shore batteries were active against United Nations warships. In the Songjin area a minesweeper received one hit by a 2.5 inch projectile which caused light material damage and no personnel casualties. In the Chongjin area a destroyer received one hit from a 75mm battery. Two crew members were killed and four were injured, none seriously. The material damage was negligible. A destroyer minesweeper received one hit

which caused only minor material damage and no personnel casualties. At Wonsan another United Nations Command vessel received one hit of 122mm fired from Hodo Pando. Material damage was not serious but two crew members were injured, one seriously. Shore batteries were active on numerous other occasions at Wonsan, Hungnam, Tanchon, Songjin and Chongjin.

On the Korean west coast, the United Nations Command surface units manned anti-invasion stations along the coast from Chinnampo to the Han River Estuary to protect friendly islands north of the battle line. Daylight firing into enemy positions started many fires and inflicted numerous casualties. An enemy attack on Yongmae Do was repulsed by United Nations Command vessels.

PT boats of the Republic of Korea Navy made their first offensive sorties, striking Hodo Pando on the east coast and the north shore of Tadong Man on the west coast. Fires were started by rockets and 40mm fire. On the east coast the boats received machine gun and small arms fire but were not hit. Other vessels conducted inshore patrol and blockade missions and assisted United Nations Command Forces in minesweeping duties.

Other Navy ships and merchant vessels, under contract, provided logistic support for United Nations Command Forces in Japan and Korea. Ships of the amphibious forces provided personnel lift to move Prisoners of War and internees from the island of Koje Do to other relocation centers in South Korea.

The United Nations Command minesweepers continued operations to keep the channels, gunfire support areas, and anchorages free of mines. Sweepers also enlarged previously swept areas to meet the needs of operating forces.

Although eight days of poor weather hampered air operations, aircraft of the United Nations Command Air Force continued to maintain air superiority, attack rail lines, vehicles and supplies, and provide close support for ground units. Medium bombers disrupted the two main rail routes from Manchuria into northwest Korea by repeatedly attacking four key railroad river crossings. Fighter bomber attacks were conducted against these and other important rail routes in North Korea. Light bombers conducted night attacks against enemy vehicles and against the rail lines in order to prevent the rapid repair of the cuts inflicted during daylight hours. Fighter interceptors patrolled the northwest sector of Korea and engaged the enemy MIG aircraft on six occasions.

The two main lines from Manchuria to North Korea, the Sinuiju-Sinanju route and the Kanggye-Kumuri line, were both interdicted by medium bombers. On the first route the interdiction was accomplished by four attacks on the Sinanju bridges, which rendered both bridges unserviceable, and a single attack on the Chongju Railroad bridges which completely blocked the line by knocking out the main and by-pass crossings. Without neglecting the Sinuiju-Sinanju line the effort was periodically shifted to the second main route. The Sinhungdong bridge on this route was bombed out three different times. In another attack on this route the rail crossings at Huichon were hit resulting in four spans destroyed on the by-pass and two spans destroyed on the main bridge.

In addition to other sorties, the medium bombers flew leaflet and close support missions. No medium bombers were lost although one aircraft sustained damage from anti-aircraft fire.

In further interdiction operations United Nations Command fighter bombers concentrated large scale attacks on short stretches of track making multiple cuts and destroying sections of the road bed. The area of operation was influenced by weather; but, by maintaining a flexible target schedule, the fighter bombers were able to make cuts on all main lines with the result that the main routes were in commission only for very short periods of time. The majority of the cuts were on the lines between Sinanju and Namsidong, Kumuri and Huichon, Pyongyang and Sinanju, and Sunchon and

Samdongni, with the remainder of the cuts on lines farther south.

The primary missions of the light bombers remained night armed reconnaissance and interdiction. The light bombers were scheduled nightly on these missions. Delayed fuse bombs were dropped on the rail lines where fighter bombers had hit during the day to further harass the crews attempting to repair their lines. The night intruder aircraft were credited with destroying numerous vehicles, locomotives, and railroad cars. No aircraft were lost during these operations.

United Nations Command fighter interceptors sighted enemy aircraft on only eight days. On two days the enemy jets failed to appear even though the weather was operational. The fighter interceptors claimed fifteen MIGs destroyed, eighteen damaged and two probably destroyed. The largest engagements occurred on 21 April when seven MIG aircraft were destroyed and three were damaged. One United Nations Command aircraft was lost during the engagement. No significant change in the pattern of MIG activity was observed. The aggressiveness of the enemy fighter pilots was not constant. It was again noted that pilots of the type fifteen aircraft were generally more aggressive than those of the MIG-15.

Tactical reconnaissance units continued to provide photograph coverage of important airfields, rail bridges, rail choke points, and enemy installations. Current intelligence information was secured through visual reconnaissance missions. In addition to other missions flown, reconnaissance aircraft performed fire adjustment missions for United Nations Command vessels operating on the east coast of Korea.

United Nations Command leaflets and broadcasts disseminated factual reports of the Communist action in breaking off the executive sessions on prisoner exchange. In publicizing the continued Communist frustration of efforts to reach a realistic armistice agreement, the United Nations Command media made it clear to the soldiers and civilians in enemy territory that their Communist leaders were deliberately prolonging the war at a tragic cost in human lives. Intensified measures for air dropping miniature news sheets to cities and towns throughout North Korea are making it more difficult for the Communist to suppress the truth. Although it is not feasible to distribute enough leaflets to reach every person in North Korea, refugees fleeing from Communist tyranny report that the information contained in the United Nations Command news sheets is eagerly received and passed orally from person to person.

The health of the civilian population throughout South Korea is generally good. The incidence of relapsing fever and smallpox is on the decrease. A large scale immunization program for smallpox and typhus has been completed during which 7,576,202 persons received smallpox vaccinations, and 7,565,607 persons were immunized against typhus since October 1951.

Mild Spring temperatures have facilitated the progress in the construction of all types of houses under the National Housing Program. Of the 19,644 family units planned, 6,475 have been completed and 4,336 are under construction. Of the planned 17,912 refugee shelters, 13,649 have been completed and 1,188 are under construction.

## **Biennial Film Exhibitions To Open at Venice**

Press release 608 dated August 1

The U.S. Government will be represented at the Thirteenth International Exhibition of Cinematographic Art, the Third International Exhibition of the Scientific Film and Art Documen-

tary, and the Fourth International Festival of Films for Children, to be held concurrently at Venice from August 8 to September 10, 1952, by Wilson R. Cronenwett, Lt. Comdr., USN, Head of the Motion Picture Branch, Naval Photographic Center, Department of the Navy. Mr. Cronenwett has been engaged in theater production for 22 years and has been active in motion picture production, with the training-film program of the U.S. Navy, since 1946. In 1947 he produced the first Navy training film to be honored by a silver award at the Venice Exhibition.

The purpose of the biennial exhibitions is to give formal public recognition to films which demonstrate outstanding progress toward making the motion picture a means of artistic expression and of improving international cultural relations. The meetings also afford American representatives an opportunity to view the techniques that are employed in other countries.

From the films submitted by the agencies of this Government which produce motion pictures, an interdepartmental committee has selected 13 films on various subjects, including documentary, medical, scientific, and instructional films, for showing at Venice. The film-producing agencies whose motion pictures will constitute the U.S. exhibit are the Departments of Agriculture, Defense (Air Force, Army, and Navy), and State, the Federal Security Agency (Public Health), and Veterans Administration. The motion picture industry of the United States has also been invited to participate, and it is understood that several amusement and documentary films have been entered in the competition.

## **U.S. Delegations to International Conferences**

### **Edinburgh Film Festival**

On July 29 the Department of State announced that the Sixth International Edinburgh Film Festival will be held at Edinburgh, Scotland, from August 17 to September 7, 1952. This series of international film festivals at Edinburgh was organized in 1947 for the purpose of showing realist, documentary, and experimental films on a non-competitive basis. All governments which produce films have been invited to participate in the Sixth Festival exhibits and in the special programs of selected scientific, educational, and children's films. Fourteen films, produced by the Departments of Agriculture, Defense (Army and Navy), Federal Security Agency (Public Health), the Interior, and State, will constitute the U.S. exhibit at the Festival.

#### *United States Delegate*

Irene A. Wright, Consultant to the Acting Assistant Administrator, International Motion Picture Service, Department of State



## ternate U.S. Delegate

oyde E. Brooker, Chief, Audio Visual Branch, Office of Information, Mutual Security Agency

## visers

r Franklin Irwin, Public Affairs Officer, American Consulate General, Edinburgh, Scotland  
Hils C. Nilson, Films Information Specialist, Mutual Security Agency, Paris, France  
yndon Vivrette, Films Officer, American Embassy, London, England

## Radio Scientific Union

The Department of State announced on July 2 that the International Radio Scientific Union (URSI) (*Union Radio-Scientifique Internationale*) will convene its tenth general assembly at Sydney, Australia, on August 11. The U.S. delegation to the assembly is as follows:

### Delegates

Charles R. Burrows, Ph.D., *chairman*, Director, School of Electrical Engineering, Cornell University, Ithaca, N.Y.  
Henry G. Booker, Ph.D., Professor of Electrical Engineering, Cornell University, Ithaca, N.Y.  
John H. Dellinger, Ph.D., vice president, International Radio Scientific Union, President of International Commission I (Radio Standards and Methods of Measurement) 3900 Connecticut Avenue, NW, Washington, D.C.  
Carold E. Dinger, Electronic Scientist and Head of Systems Interference Unit, Radio Division 2, Naval Research Laboratory, Department of Defense  
Arthur H. Waynick, D.Sc., Professor of Electrical Engineering, Pennsylvania State College

### ternate Delegates

Francis J. Gaffney, Chief Engineer and Manager of Operations, Polytechnic Research and Development Company, Brooklyn  
Jack A. Morton, supervisor, Department of Semiconductor Device Research and Development, Bell Telephone Laboratories, Murray Hill, N.J.  
Jan H. Shapley, physicist, Central Radio Propagation Laboratory, National Bureau of Standards  
Samuel Silver, Ph.D., Professor of Electrical Engineering, University of California, Berkeley

URSI is affiliated with the International Council of Scientific Unions. Since its organization in 1919 URSI has been developing, on an international basis, scientific studies and programs pertaining to radio-electricity and related subjects, and bringing together, in its biennial assemblies, the scientists who are responsible for the research underlying the spectacular advances in electronics, radar, television, and other applications of radio principles and techniques. Its aims are to promote international cooperation in the scientific study of radio, to encourage and aid in the organization of radio research requiring cooperation on a large scale, to promote the establishment of common methods and standards of radio measurement, and to encourage and aid in the discussion and dis-

semination of the results of these activities. URSI has an active national committee in each of its 22 member states. These committees, organized and sponsored in each country by the National Research Council or a corresponding body, hold scientific meetings and have active working committees.

## Geographical Union

The Department of State announced on July 18 that the U.S. Government has extended invitations through diplomatic channels to 71 other governments to be represented at the eighth general assembly of the International Geographical Union (IGU) at Washington, August 8-15, 1952. The seventeenth International Geographical Congress, to be held at Washington concurrently with the IGU assembly, is sponsored by the International Union. The forthcoming congress and assembly will be the first international gathering of geographers in this country since 1904, when the eighth Congress, which delegates dubbed the "Peripatetic Congress," convened successively at Washington, New York, Philadelphia, Chicago, and St. Louis.

More than 1,000 geographers, from the 31 countries which are members of the Union and from nonmember countries which will send observer delegations, are expected to attend the assembly and congress sessions. The U.S. delegation is as follows:

### Delegates

Wallace W. Atwood, Jr., Ph.D., *chairman*, Director, Office of International Relations, National Academy of Sciences-National Research Council, Washington, D. C.; *chairman*, National Committee of the United States, International Geographical Union  
Samuel W. Boggs, Special Adviser on Geography, Department of State  
Edwin J. Foscue, Ph.D., Professor of Geography and Chairman, Department of Geography, Southern Methodist University, Dallas  
Robert M. Glendinning, Ph.D., Professor of Geography, University of California at Los Angeles, Los Angeles  
Gilbert H. Grosvenor, President, National Geographic Society, Washington, D. C.  
Otto E. Guthe, Ph.D., Special Assistant for Maps, Department of State  
Chauncy D. Harris, Ph.D., Professor of Geography, University of Chicago, Chicago  
Preston E. James, Ph. D., Professor of Geography and Chairman, Department of Geography, Syracuse University, Syracuse, Retiring President, Association of American Geographers, U.S. Member of the Commission on Geography, Pan American Institute of Geography and History  
Lester E. Klimm, Ph. D., Professor of Geography, University of Pennsylvania, Philadelphia  
Richard Upjohn Light, M. D., President, American Geographical Society, New York  
Glenn T. Trewartha, Ph. D., Professor of Geography, University of Wisconsin, Madison, President Association of American Geographers  
John K. Wright, Ph. D., Research Associate, American Geographical Society, New York

The International Geographical Union, organized in 1922, is one of nine constituent organizations of the International Council of Scientific Unions which encourages and facilitates international cooperation in science. The purposes of the Geographical Union are to promote the study of geographical problems, to initiate and coordinate researches requiring international cooperation, to provide for meetings of the International Geographical Congress, and to appoint commissions for the study of special matters during the interval between congresses. The first International Geographical Congress was held in Antwerp, Belgium, in 1871. During the next 50 years, ten congresses were held under various sponsorships.

In a program encouraging the free exchange of ideas among geographers of all countries, emphasis will be directed to those areas of scientific investigation which are most successfully developed through international cooperation. The forthcoming general assembly will review the research activities of various commissions appointed at the seventh general assembly held at Lisbon in 1949. The commissions reporting to this assembly are those dealing with aerial photography, ancient maps, industrial ports, medical geography, periglacial morphology, regional planning, soil erosion, and inventory of world land use. The assembly will also discuss a report from its committee on arid lands. Fields of the geographical sciences to be discussed in the section meetings of the congress are biogeography, cartography, climatology, demography, and cultural geography, geomorphology, historical and political geography, hydrography, regional geography, teaching of geography, trade and transportation, urban and rural settlement, and resources, agriculture, and industry. There will be special symposia on "World Food Supply" and "Tropical Africa," in which leading experts will participate.

Under the auspices of several private groups in the United States, excursions are being planned for the visiting geographers both before and after the meetings in Washington. These include a transect continental tour with bus and rail trips to various scenic centers in the West and Southwest; a geographical and historical tour of New England; a first-hand study of the industrial cities of the lower Great Lakes region; and a tour of the Southeastern States, including a visit to the Tennessee Valley. Visiting geographers will be the guests of the American Geographical Society in New York City, August 4-6, to join in the celebration of the Society's one-hundredth anniversary.

Arrangements for the meetings have been under way for 3 years by the United States of America National Committee of the International Geographical Union. Wallace W. Atwood, Jr., Director of the Office of International Relations, National Academy of Sciences-National Research Council, is chairman of this committee. Geographers throughout the United States have been enlisted as members of the committees on arrangements for the conference.

Several geographical organizations plan to hold meetings in Washington prior to the opening of the assembly and congress. During the period July 25-August 4, the third Pan American Consultation on Geography will be convened. The Association of American Geographers and the National Council of Geography Teachers are scheduled to hold their annual meetings on August 6 and 7. From September 4-16, the seventh International Congress of Photogrammetry will hold meetings in Washington and Dayton.

## **U.S., U.K. Conclude Telecommunications Talks**

Press release 602 dated July 31

Talks have been concluded in London between a delegation of U.S. telecommunications experts, led by Federal Communications Commissioner Edward Webster, and representatives of the United Kingdom and Commonwealth Telecommunications Board representing Commonwealth governments. The discussions dealt with a proposal for the modification of article 2 of the London Revision of the Bermuda Telecommunications Agreement, which regulates various telecommunications matters between the United States and Commonwealth governments. This article, which concerns exchange rates and accounting procedures, required adjustment in light of the devaluation of the pound sterling in 1949 and has been the subject of correspondence between parties concerned since 1950. The full agreement which was reached between the delegations concerned is subject to confirmation by the respective governments.

The U.S. delegation raised the question of the handling of transit traffic by American companies to British Commonwealth countries, and as a result thereof certain U.S. proposals for the liberalization of the present prohibition of handling such traffic are being placed before the Commonwealth governments for consideration.

# The United States in the United Nations

July 25–August 7, 1952

## Security Council

*Kasmir*—Frank P. Graham, U.N. representative for India and Pakistan, sent the following letter, July 30, to the President of the Security Council:

On 29 May 1952 I informed the President of the Security Council that in agreement with the Governments of India and Pakistan the negotiations on the question of the State of Jammu and Kashmir had been renewed.

Following upon these negotiations the Governments of India and Pakistan have agreed to a meeting of representatives of the two Governments at a ministerial level under the auspices of the United Nations Representative in the European Office of the United Nations, Geneva, beginning 25 August 1952.

At the appropriate moment I shall report to the President of the Security Council the outcome of the negotiations.

## Economic and Social Council

The Council concluded its fourteenth session on August 1. Two sessions will be held in 1953: the fifteenth, beginning March 31, 1953, at U.N. Headquarters, and the sixteenth, beginning June 30, 1953, at Geneva. The French resolution to hold the sixteenth session in Geneva was approved by a vote of 8–5 (Canada, China, United Kingdom, United States, Uruguay)—5 (Mexico, Pakistan, Iran, Philippines, Egypt). Isador Lubin (U.S.) appealed to the Council to vote in favor of holding this session also at headquarters. He stated that at a time when governments were complaining of the high cost of the United Nations and when it was becoming increasingly difficult to obtain legislative approval for necessary activities, a decision to meet in Geneva next year would be an “irresponsible decision.” It was more important, he added, that these additional funds be spent on technical assistance, UNICEF, UNKRA, and other programs set up to make life easier and better for the people of the world. Also, a Geneva meeting would greatly reduce the possibility of holding Near East and Far East sessions.

The Council took the following action, *inter alia*, during the final week of this session:

1. Adopted by a vote of 15–0–3 (Sov. bloc) the revised draft resolution jointly submitted by Bel-

gium, Cuba, Egypt, France, Pakistan, Philippines, and the United States requesting the Secretary-General to prepare for publication in 1954, a supplementary report on national and international measures taken to improve social conditions throughout the world, and to prepare a second edition for publication in 1956 of the report on the world social situation. This resolution also authorized the Social Commission to hold its regular session in 1953 and to make recommendations to the Council at that time on a program of concerted action in the social field in accordance with General Assembly Resolution 535 (VI).

2. Adopted by a vote of 15–0–3 (Sov. bloc) the Social Commission's resolution commending UNICEF; recommending increased efforts to make its achievements known; expressing concern that the 1952 budget was not fulfilled, and calling attention to the urgent need for meeting the 20 million dollars target set for the year ending June 30, 1953. Walter Kotschnig (U.S.) endorsed the extension of UNICEF programs in economically less-developed areas and urged continued emphasis on permanent child welfare and health services and that more attention be given to child nutrition and welfare in contrast to the present heavy emphasis on child-health programs. In calling attention to the resolution's reference to needed funds, he mentioned the recent U.S. appropriation of more than \$6 million for UNICEF and noted that the cumulative U.S. contribution of some 87 million dollars, which has thus far been made available by the U.S. Congress, will represent 70 percent of the total contributions of governments to the central account of the fund. It was his Government's hope, he said, that other governments within the limits of their resources and commitments would be able to continue their support of the fund so that the humanitarian work could go forward in 1953 without interruption.

3. Elections were held to fill the vacancies on the Council's 7 functional commissions, the Non-Governmental Committee, and the UNICEF Executive Board. It was agreed to defer until 1953 the selection of countries to replace the five Narcotics Commission members appointed in 1949 for 3-year terms.

4. Salvador P. Lopez (Philippines) was elected *rapporteur* on Freedom of Information. He will, in cooperation with the specialized agencies, follow developments in the field of freedom of information and report to the Council in 1953.

5. The Council approved, by a vote of 12-3 (Sov. bloc)-2 (Belgium, Egypt), the Social Committee's resolution requesting the appointment of a small group of experts to report on methods of measuring standards of living.

6. It adopted, unanimously, three Social Commission resolutions requesting the Secretary-General to continue to emphasize advisory social welfare services and to cooperate with UNICEF, the specialized agencies, interested nongovernmental organizations and other appropriate international bodies to encourage and assist governments in developing child-welfare programs; and that the member states give due attention to the principles adopted by the Social Commission on in-service training of social welfare personnel.

7. Adopted, 12 (U.S.)-3 (Sov. bloc)-3, a resolution on the simplification of formalities and the reduction of costs for migrants.

8. Adopted, by a vote of 15-0-3 (Sov. bloc) a resolution recommending to governments the development, for low-income groups, of long-term policies on building, housing, and town and country planning.

9. The Council approved, 15-0-3 (Sov. bloc), the Social Commission's work program for 1952-53 as drawn up by the Commission at its eighth session, and, *inter alia*, reiterated the need for priorities to be established for the success of the economic and social work of the United Nations and specialized agencies, and pointed out that international action can achieve substantial results only by concentrating the limited resources now available on tasks of primary importance for the realization of the objectives of the U.N. Charter.

10. The Council adopted, 14-3 (Sov. bloc)-1 (Uruguay), a U.K.-U.S. resolution on the question of the implementation of recommendations on economic and social matters. The operative part of this resolution states that (1) in the future, wherever practicable, the Council will indicate the specific dates when reports are expected from member governments in connection with the implementation of resolutions adopted; (2) will include in its annual report to the General Assembly information covering the replies received from governments regarding the implementation of recommendations of the General Assembly and the

Council in economic and social matters; and (3) will consider from time to time the desirability of reviewing the implementation of such recommendations relating to a particular field, or fields, of its activities.

11. The Council approved, 11-3 (Sov. bloc)-4 (Egypt, Iran, Mexico, Pakistan), the joint Philippine-Swedish-United States resolution instructing the Commission on Human Rights to complete its work on the two Covenants on Human Rights at its next session in 1953 and to submit them simultaneously to the Council. It also approved, 14-3 (Belgium, France, United Kingdom)-1 (Sweden), a resolution transmitting, without comment, to the General Assembly, the Commission's two resolutions relating to the question of self-determination of the people of non-self-governing and trust territories. The first of these two resolutions recommends the granting of the right of self-determination on demand and after a plebiscite, and the second asks the administering powers to transmit to the United Nations political information on non-self-governing territories.

Mr. Lubin (U.S.) stressed that the U.S. affirmative vote on the transmittal resolution was with the understanding that neither approval nor disapproval of the self-determination formulations was involved. He pointed out that the U.S. Government "has supported in the past and will continue to support the principle of self-determination, in deed as well as in word," but that it had serious reservations as to these two proposed resolutions. He noted that:

The Members of the United Nations have undertaken to develop self-government in the territories under their administration. The Charter specifies that this will be done by taking into consideration the particular circumstances of each territory and its peoples and their varying stages of advancement. It is recognized, therefore, that the development of self-government, while an urgent problem, is a continuing process and must be accomplished progressively.

... Under the Charter of the United Nations, territories being administered by other countries are enjoying an ever-larger degree of self-government. Each of the eight administering countries has accepted the obligations of the Charter relating to the territories which they administer. Each of these countries is promoting the political, economic, and social advancement of the territories under its administration.

... in each case there is progress, and the peoples of these non-self-governing territories are assuming an increasingly greater degree of responsibility in taking care of their own affairs. The policy of the United States is to assist, through the United Nations and otherwise, in making this progress move rapidly, yet surely.

# Sixth Grassland Congress Opens August 17

Press release 560 dated July 17

The Secretary General of the Sixth International Grassland Congress, to be held at the Pennsylvania State College from August 17 to 23, will be Will M. Myers, chief of the Division of Agronomy and Plant Genetics, University of Minnesota. Until July 1, 1952, Mr. Myers was director of Field Crops Research, Bureau of Plant Industry, Soils and Agricultural Engineering, Department of Agriculture. He is now serving as vice chairman of the Organizing Committee for the Congress, chairman of the Executive Committee of the Organizing Committee, and chairman of the Program Committee. For the past year and a half, during all the preparations for the Congress, Mr. Myers has served as deputy to P. V. Cardon, Department of Agriculture, who was requested by the Fifth Congress to coordinate preparations for the forthcoming session.

The deputy secretary general for the Congress will be Herbert R. Albrecht, professor of Agronomy, Pennsylvania State College; William R. Chapline, chief, Division of Range Research, Forest Service, Department of Agriculture, and executive secretary of the Organizing Committee for the Congress; and Clarke L. Willard, acting chief, Division of International Conferences, Department of State.

The Congress, sponsored by the U.S. Government and the Food and Agriculture Organization of the United Nations (FAO), will provide an opportunity for scientists and technicians from various parts of the world to exchange information on the production, improvement, management, and use of grassland. The U.S. Government has invited approximately 65 countries to participate in this Congress, the first to be held in the United States.<sup>1</sup>

## PUBLICATIONS

### Recent Releases

*For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.*

**Waging the Truth Campaign.** International Information and Cultural Series 22. Pub. 4575. 70 pp. 35¢.

Eighth semiannual report of the Secretary of State to Congress on the International Information and Educational Exchange Program, July 1 to December 31, 1951.

<sup>1</sup> For background information on the Congress, including its program, see BULLETIN of Feb. 25, 1952, p. 309.

**Suppression of White Slave Traffic.** Treaties and Other International Acts Series 2332. Pub. 4436. 53 pp. 20¢.

Protocol, with annex, between the United States and Other Governments, amending agreement of May 18, 1904, and convention of May 4, 1910—Opened for signature at Lake Success May 4, 1949; entered into force with respect to the United States Aug. 14, 1950.

**Aviation, Air Transit Facilities in the Azores.** Treaties and Other International Acts Series 2351. Pub. 4449. 6 pp. 5¢.

Agreement between the United States and Portugal—Signed at Lisbon Feb. 2, 1948; entered into force Feb. 2, 1948; operative retroactively Dec. 2, 1947.

**Economic Cooperation.** Treaties and Other International Acts Series 2344. Pub. 4460. 24 pp. 10¢.

Agreement and notes between the United States and Laos—Signed at Vientiane Sept. 9, 1951; entered into force Sept. 9, 1951.

**Economic Cooperation.** Treaties and Other International Acts Series 2346. Pub. 4462. 31 pp. 15¢.

Agreement and notes between the United States and Vietnam—Signed at Saigon Sept. 7, 1951; entered into force Sept. 7, 1951.

**Education, Cooperative Program in Bolivia.** Treaties and Other International Acts Series 2364. Pub. 4485. 5 pp. 5¢.

Agreement between the United States and Bolivia—Concluded at La Paz Nov. 22, 1950; entered into force Nov. 27, 1950.

## Check List of Department of State Press Releases: July 28–Aug. 1, 1952

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington 25, D.C.

Press releases issued prior to July 28 which appear in this issue of the BULLETIN are Nos. 560 of July 17, 568 of July 18, and 572 of July 22.

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*587	7/28	FSO retirements
588	7/28	Austrian Nazi amnesty legislation
*589	7/28	Liberian anniversary
*590	7/28	Peruvian anniversary
591	7/28	Acheson: Death of Sen. McMahon
592	7/29	Bennett: U.S. and Latin America
*593	7/29	Exchange of persons
594	7/29	Edinburgh Film Festival
595	7/30	Acheson: ANZUS meeting
596	7/30	U.S. del. to ANZUS
†597	7/30	Departmental appointments
†598	7/30	U.S.-Mexican TV Channels agreement
599	7/30	Marshall: Remarks before the Icmc
*600	7/31	American specialists leave for Germany
*601	7/31	Foreign students begin orientation
602	7/31	Telecommunications agreement
*603	7/31	Pt. 4 technicians (assignments)
†604	7/31	Establishment of British scholarships
†605	7/31	U.S., U.K. notes on tin trade
*606	8/1	Fulbright scholarships announced
607	8/1	Secretary departs for Honolulu
608	8/1	Cinematographic art exhibit
*609	8/1	U.S.-German teacher interchange
*610	8/1	Selections for Armed Forces staff colleges
*611	8/1	Swiss anniversary

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†Held for a later issue of the BULLETIN.

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## Pacific Area Relationships: ANZUS Council Meets in Hawaii

### REMARKS BY SECRETARY ACHESON<sup>1</sup>

We are all grateful, I am sure, to Governor Long, who has so graciously and hospitably welcomed us here, and to Admiral Radford, who will serve as my military adviser at this Conference and to whom we are indebted for all the special arrangements made here for our convenience and our comfort.

In behalf of the Government of the United States I welcome our distinguished friends from Australia and New Zealand to a meeting which we all hope will advance the cause of peace.

The United States is honored that the Territory of Hawaii—which we hope will soon become the State of Hawaii—has been chosen as the setting for these deliberations.

The setting is as appropriate as it is attractive, for the people of Hawaii have a tradition of support for cooperative effort among the nations of the Pacific. In the earliest years of this century, one of Governor Long's predecessors, with great foresight, helped form among the nations of the Pacific an organization which bore the picturesque name of The-Hands-Around-the-Pacific Club, later to become the Pan-Pacific Union. Ever since, Hawaii has been prominent in scientific, educational, and commercial cooperation among the nations of this great vast area.

In accordance with article 7 of the treaty by which our three countries have expressed their common security interests, we have come together to organize a council.<sup>2</sup> I indulge in an understatement when I say that the prospect of an arrangement for even closer relations with our friends in Australia and New Zealand is warmly and enthusiastically regarded by the people of

the United States. The treaty, which was ratified with overwhelming support in the Senate of the United States, is but a formal expression of a sense of identity of interest which long antedated the treaty.

Soldiers of our three countries fought shoulder to shoulder in the war in the Pacific, as in many other parts of the world in both the First and Second World Wars. Our American soldiers will never forget the friendship and hospitality which they found in Australia and New Zealand. We are deeply touched by the action of the people of Australia expressed through the Australian-American Association, and generously supported by the Australian Government, in erecting in Canberra a monument in memory of the American servicemen who died in the Pacific in World War II. We are grateful also for the many other thoughtful actions of commemoration in both Australia and New Zealand.

Both countries have always been foremost among the free nations of the world in their readiness to labor and to sacrifice in the cause of freedom and the cause of peace. It therefore occasioned gratification, but no surprise, among my countrymen that Australia and New Zealand were among the first to join us in upholding the cause of the United Nations in Korea.

As we have been comrades in war, so also do we stand together in our determination to prevent war.

That is the purpose of the council we are here to organize. This action is but one of a series of actions by which the community of free nations is strengthening the peace—not only in the Pacific area but in many parts of the world. Like other such efforts, this one is being carried forward in full accordance with the Charter of the United Nations. It could not be otherwise since the treaty under which we are meeting reaffirms our faith in the purposes and principles of the Charter.

<sup>1</sup> Made before the Council's opening session at Kaneohe, Oahu, Hawaii on Aug. 4 and released to the press (No. 616) on the same date.

<sup>2</sup> For text of the tripartite security treaty, see BULLETIN of July 23, 1951, p. 148.

## COMMUNIQUE ON FIRST MEETING

Press release 624 dated August 7

*Following is the text of the communiqué issued August 7 at the conclusion of the first meeting of the Council of ANZUS which convened at Kaneohe, Hawaii, on August 4:*

This treaty furthers the cause of peace in two ways. First of all, each of our three countries, recognizing that its own peace and safety would be endangered by an attack upon the others, has expressed its determination in the treaty to act in such an event to meet the common danger in accordance with its constitutional processes. And secondly, the treaty, in establishing this council, has provided a means for a closer consultative relationship between Australia, New Zealand, and the United States.

We shall necessarily be occupied, in this, our first meeting of the council, with discussions of the council's own organization, its functions, and its procedures. It is not our purpose to create an elaborate organization. All of us are agreed that the effectiveness of the council can best be furthered if it is organized in a simple and a flexible way.

In addition to this problem of organization, the meeting of the council will provide our three Governments with an opportunity for an exchange of views regarding problems of common concern, problems affecting our relationships in the Pacific area.

Our actions here shall not subtract from but shall strengthen and support our interest in and our associations with other nations in the Pacific area and in other parts of the world. Each of us has ties which we value with other friends and neighbors in the Pacific and throughout the world. It is our firm belief and intention that these efforts of ours shall be a source of encouragement to a wider cooperation among all who are united by a common dedication to peace.

The pattern of defense which is emerging is a variegated one, as befits the diversity of the free nations of the world. But however varied and manifold may be the measures through which the free nations are linking their defensive efforts, the purpose of these measures is constant, and that is to reduce the danger of aggression and thus to bring nearer the day when the principles of the United Nations may govern the entire international community.

This purpose is being fulfilled by painstaking labor in many different ways and in many different parts of the world. Each step, such as the one we are taking today, is but one building block in the total structure of peace.

We know that this labor is hard and complex and long. But, like a cathedral which is built by many hands over many years, this structure has a unity of spirit which flows from the common inspiration of these labors.

As we work here, we cannot but be heartened by the consciousness that each such step strengthens not only our defenses but our common understanding and our habits of working together. We pray that these efforts shall enable our cherished values not only to meet the test of survival but to flourish and advance.

The ANZUS Council established by the security treaty between Australia, New Zealand and the United States concluded its first meeting at Kaneohe today. The Right Honorable Richard G. Casey, Minister for External Affairs, represented Australia; The Honorable T. Clifton Webb, Minister for External Affairs, represented New Zealand; and The Honorable Dean Acheson, Secretary of State, represented the United States of America.

Advisers of the Australian Minister for External Affairs included: The Honorable Sir Percy Spender, Ambassador to the United States; Mr. Alan Watt, Secretary, Department of External Affairs; Sir Frederick Shedden, Secretary, Department of Defense and Air; Vice Marshal F.R.W. Schergerhead, Australian Joint Service Staff.

The Advisers of the New Zealand Minister for External Affairs included: The Honorable Leslie K. Munro, Ambassador to the United States; Mr. Foss Shanahan, Deputy Secretary, Department of External Affairs; and Major General W.G. Gentry, Chief of General Staff.

The Advisers of the United States Secretary of State included: The Honorable Philip C. Jessup, Ambassador at Large; The Honorable George W. Perkins, Assistant Secretary of State for European Affairs; The Honorable John M. Allison, Assistant Secretary of State for Far Eastern Affairs; and Admiral Arthur W. Radford, Commander in Chief, Pacific and U.S. Pacific Fleet.

At the end of the meeting the three Foreign Ministers issued the following announcement:

ANZUS treaty recognizes that an armed attack in the Pacific area on any of the parties would be dangerous to the peace and security of all signatories and declares that each would act to meet the common danger in accordance with constitutional processes. The treaty also establishes the Council as the means for a closer consultative relationship among the three governments. We believe that the Council will afford each of us the opportunity to achieve more effective cooperation as members of the free world. We take this occasion to reaffirm the principles of the treaty.

At this first meeting we have established the necessary organization to implement the treaty. In following the provisions of the treaty which states that the Council is to consist of the three foreign ministers or their deputies we have agreed that the Council of Ministers should meet annually one year in the United States and the alternate

year in Australia or New Zealand. The Council also agreed that special meetings normally attended by the Deputies will be held in Washington to provide for continuing consultation and to provide a focus where existing channels and agencies may be utilized in the implementation of the treaty.

The deputy members of the Council will be: For Australia, The Honorable Sir Percy C. Spender, Ambassador to the United States; for New Zealand, The Honorable Leslie K. Munro, Ambassador to the United States; and for the United States, The Honorable David K. Bruce, Under Secretary of State.

To ensure that effective measures are taken to implement Article III of the treaty the Council will have the advice of appropriate military officers of the three governments. Admiral Arthur W. Radford USN has been designated as the United States military representative accredited to the Council. The Australian and New Zealand military representatives will soon be designated. An early meeting of these officers will be held at Honolulu to work out details of the military machinery the general nature of which was agreed to.

The Council considered the responsibilities devolving upon it in the light of Article VIII of the treaty which authorizes it to maintain a consultative relationship with other states and regional organizations. The Council discussed the ways and means by which it might contribute to the growth of the system of regional security referred to in this article and reaffirmed on behalf of the three governments the need for collective defense in the Pacific area. The Council examined the possibility of providing arrangements for the association of other governments in its work. Recognizing that the Council is just beginning to evolve its own tripartite organization and program it came to the conclusion that it would be premature at this early stage in its own development to attempt to establish relationships with other states or regional organizations. The Council agreed, however, that in the meantime the members of the Council would continue to keep in close touch through existing channels with other states concerned to preserve peace in the Pacific area.

We reaffirm that our governments are dedicated to the strengthening and furtherance of friendly and peaceful relationships among nations in the Pacific area. In so doing we emphasize that the purpose of the ANZUS treaty is solely the defense of its members against aggression. As is clear from the treaty itself this is fully consistent with the principles of the United Nations Charter and with the obligations of the members under the charter. The ANZUS Council is dedicated to help support and implement the principles and responsibilities of the United Nations. The principle of collective security is the common objective of both and the security system of the United Nations which we are seeking to build will be made

stronger by the steps which we have taken here. Furthermore, in our discussion of how best to contribute by constructive measures to the security of the Pacific area we have taken into account the membership of Australia and New Zealand in the British Commonwealth and United States participation in the North Atlantic Treaty organization and its association by treaty with the other American republics and with Japan and the Philippines.

We have taken the opportunity to review situations of mutual concern. We exchanged views on the operations of the United Nations in Korea and the problem of assisting the free nations of Asia to resist Communist imperialism.

We emphasize, however, that we neither reached any decisions nor undertook any commitments regarding matters of direct concern to our friends in the Pacific area or elsewhere.

## **German Elections Commission Adjourns Indefinitely**

*The following was released to the press at Geneva on August 8 by the United Nations Information Center:*

The United Nations Commission To Investigate Conditions for Free Elections in Germany decided today to adjourn *sine die* its session in Geneva following the signing of its final report to the U. N. Secretary-General.

After the submission of its first report on May 1, 1952, the Commission remained in session in Geneva to implement, if feasible, the direction given it by the General Assembly whereby it was required to carry out its task of investigation throughout the whole of Germany. It will be recalled that the Commission was able to secure by the end of April 1952 every assurance of cooperation and every facility requested from the Allied High Commissioner, authorities of the Federal Republic of Germany, and of the western sectors of Berlin.

It will also be recalled that the Commission, in spite of repeated attempts made to establish reciprocal contact with authorities in the Soviet zone of Germany and in the eastern sector of Berlin, was given no answer to its letters by the Soviet Control Commission for Germany. The Commission was therefore obliged to conclude that, at that time, there was little prospect of its being able to pursue its task.

The Commission, according to its terms of reference, however, remained in constant session, hoping that the Government of the Soviet Union, anxious for a solution of the German question, would be persuaded to cooperate.

The Commission considered closely developments in the situation arising from an exchange of notes between the Soviet Union and the three

Western Powers and from reports on internal developments in Germany. These developments have been such as not to afford any prospect that German authorities in the Soviet zone of Germany will cooperate with the Commission in the furtherance of its work. At its 24th meeting on July 31, the Commission decided to submit its final report to the Secretary-General and to adjourn its session *sine die*.

However, the Commission feels that its work hitherto has not been fruitless, inasmuch as the four occupying powers have during this period

found some common ground by agreeing to the necessity of establishing an impartial body for investigating conditions preparatory to holding free elections in Germany. Therefore, while the Commission has left free its representatives to resume duty with their respective governments, it wishes to stress that it will continue to remain at the disposal of the United Nations and all parties concerned to carry out its task during such time as its mandate remains in force and at such time as it seems likely to it that it can do so with the prospect of positive results.

## German Education in Transition

by Vaughn R. DeLong

As the U. S. occupation of Western Germany draws to a close, those who worked with the program for rehabilitating Germany are taking stock of the results. Long before the end of World War II, American policy makers and educators recognized that an Allied victory would have to be followed by cooperation with Germany in developing an educative process that would influence her people away from authoritarianism and toward a democratic way of life. This article offers a backward glance at 7 years of effort to provide the new Germany with an educational philosophy and a school system rooted in democratic concepts.

The traditional German school system was both a product of authoritarianism and a factor contributing to the perpetuation of authoritarianism. The organization of German schools was a tool fitting the hand of Hitler when he came to power. Class distinctions and reservation of privileges and advantages for the elite were implicit; he had only to manipulate the organization a little to make it serve his own philosophy and objectives. The Platonic concept of education of the elite easily became the Hitlerian leadership principle. Hitler's doctrine of the "necessity for sacrifice of individual freedom for the good of the state" seemed neither alien nor suspect to pupils, teachers, and parents who had been thoroughly conditioned to unquestioning obedience to higher authority. The transition from an undemocratic to an antidemocratic school system was an easy one.

The German school system has been known as

a "two-track" system, because at the age of 10, after 4 years of free schooling under a common course of study, the children were segregated into two groups. The children in one group, consisting of only 10 to 15 percent of the total enrollment, were those whose parents could afford to pay tuition at schools offering academic training and who were able to pass the examinations. These children started in the fifth grade along the academic track leading to professional careers and to positions of leadership. The remaining 85 to 90 percent of the pupils continued for another 4 years of compulsory schooling in the *Volksschule*, the eight-grade free elementary school. At 14, these less-favored children left full-time school and took 3-year apprenticeships to learn a skill or trade, meanwhile attending vocational school for a few hours a week.

From the fifth grade on, the two tracks of the school system diverged so widely as to make it virtually impossible for a child to shift over to the academic track once he had started on the vocational track. For example, if a pupil's father had been unwilling to send him along the academic track at the set time but had a change of heart 2 years later, he could not simply pay his tuition and have him switch tracks. By this time the pupils of the academic school would have had 2 years of a foreign language; they would be exploring abstract mathematics and the finer points of German grammar. The *Volksschule* pupil would have had no foreign language; he would have been studying practical arithmetic and

strictly functional German. To change tracks, he would have had to go back and start at the fifth-year level or his father would have had to hire tutors to push him through the subject matter he had missed. In either case, he would have lost much time.

In both types of school, the subject matter was considered more important than the child; teachers as well as children were regimented; pay was low for all, but lower—as were standards—for teachers of the *Volksschule* track. This system, the United States and its wartime Allies agreed, required drastic change if democracy was to gain a foothold in Germany.

### The Democratic Approach

In January 1945 Vice President Truman, speaking of the difficulties involved in “re-educating” a former enemy, said:

For the victors to rely upon force alone would be futile. Any order which hopes to survive must ultimately appeal to the minds of men.

In other words, a liberal attitude, a democratic way of life, could not be inspired either in or out of the schools by military fiat. German democracy had to spring from German roots—be a German development.

In the United States more than a hundred years ago, a number of States adopted from Germany the ideas of compulsory school attendance and State provision for public education. The institution of the kindergarten came to us from Germany with the democrats who sought refuge in America at the time of the German revolution of 1848. Froebel and Herbart have had a lasting influence upon American educators. American students and followers of William Wundt, of Leipzig, returned to the United States to kindle American interest in child psychology. The concept of the intelligence quotient reached us from Germany. But although many advanced educational theories were first developed in Germany, very few of them actually found their way into practice in the German public schools.

After the First World War, until Hitler came into power, there was a steady exchange of students and professors between American and German universities. German educators came to the United States to get inspiration for their intended reform of the German school system after the repressive years of the Empire and returned to Germany full of enthusiasm for American schools and the philosophy of John Dewey. In Germany, that period saw the beginning of the Rudolph Steiner school system with its low tuition; its concentration upon the needs of the individual child; and its highly progressive theory and practice. Eurythmics, welcomed enthusiastically by the progressive schools of America in the twenties, came to us from Stuttgart.

With the end of World War II and the begin-

ning of the occupation, American officials in Germany set out to find the liberal and progressive elements among German educators and philosophers. Their aim was to cooperate with them to develop schools and an educational philosophy that would educate the people toward democracy. But, before the building up of the new could begin, the worst of the old influences had to be expunged.

### Educational Problems of the Early Occupation

In the chaos of defeated Germany comparatively few school buildings were left undamaged. Many had been reduced to rubble. Of those that had escaped serious damage, many had been taken over by Germans for use as offices; others, our occupation forces requisitioned for use as military offices or for quartering of troops. Under such circumstances, the formal military order closing the schools was scarcely necessary in cities that had suffered severe bombing.

Thus the American authorities not only had to weed out Nazi teachers and textbooks before the schools could reopen, but also had to release or provide buildings. Until teachers could be approved on the basis of the regulation 131-point denazification questionnaire, until textbooks could be screened, and until buildings could be made available, upward of 3 million school-age children in the American zone of Germany alone were at large with nothing constructive to do and with little if any supervision.

Germany, like the United States, had lost many teachers to war industries and military service. During the Nazi period, in order to be hired, teachers were obliged to become Nazi Party members. Whereas a number of them had given lip-service only, many had been active members of the party. The questionnaires used in denazification revealed that a large percentage of the younger, more energetic, and better trained teachers had been vigorous supporters of the Nazi regime and hence were unemployable. Many of the employable teachers were getting on in years and tended to look backward to the nationalistic period of their own pre-Hitler heyday—which, after all, had led to Hitlerism.

The textbooks were thoroughly polluted with Nazi doctrine: even the arithmetic books were tainted. Few Germans capable of writing new textbooks were available in the early occupation period, and the American staff assigned to checking and clearing the new texts was pitifully small. To make matters worse, there was a severe paper shortage. The few texts available at first dated back to the Weimar Republic; they were printed from microfilm supplied by the Columbia University Library. The books were out-of-date and uninspiring, but such books were better than none. As many as six children had to use a single copy when the schools began to open in October 1945.

Classes met in any space available—undamaged

parts of bombed-out buildings, underground bomb shelters, in one instance in a teacher's kitchen—and the space was never sufficient. Teachers' helpers with no technical training supplemented inadequate teaching staffs. Two and three shifts were common in city schools, with the same teacher taking all shifts. Throughout 1946 the average number of pupils per teacher in the *Volksschule* was more than 70. All teaching materials were short, and, between Hitler's burning of the books and Allied bombings, libraries had practically disappeared.

On the basis of the report and recommendations made in the fall of 1946 by the Education Mission to Germany,<sup>1</sup> which was composed of 10 American educators, the American Military Government drew up a set of principles considered essential to the training of citizens for a democracy. This list, given to the chief German school officials and the Education Ministries of the *Land* (State) Governments, included the following points: Equality of educational opportunity for all; free tuition, texts and necessary school supplies in public schools for all pupils of compulsory school age; compulsory full-time school attendance for all between 6 and 15 years of age and part time attendance at a vocational school until the age of 18; a comprehensive educational system for the compulsory period of attendance, in which "elementary education" and "secondary education" would not overlap but would involve instruction at two consecutive levels; emphasis upon education for civic responsibility and a democratic way of life in all schools; promotion of understanding of and respect for other nations as an objective of all courses of study; provision for educational and vocational guidance for all pupils; provision for health education and supervision for all pupils; all teacher education on the university level; provision for effective participation of the people in the reform and organization as well as in the administration of the educational system.

Within the framework of these principles, the Germans themselves were expected to bring about the reform of their school system. The German authorities within each *Land* established committees to work on the development of changes that would improve the schools along lines recommended by the Military Government. The program was widely publicized, and many public forums were held in the American zone to discuss and debate proposals for the reforms. Beginning in 1947, various laws and regulations affecting the educational systems of the several *Laender* were passed.<sup>2</sup>

<sup>1</sup> *Report of the United States Education Mission to Germany*, Department of State publication 2664.

<sup>2</sup> For texts of a number of these laws and other documents relating to educational developments during the occupation, see *Germany 1947-1949—The Story in Documents*, Department of State publication 3556, pp. 541-578.

## The Reform Movement

Basic to school reform were provisions for making public schools free to all, introducing free textbooks, extending the period of a common school experience beyond the traditional 4-year period, and improving teacher education. Measures to effect such progress presented economic problems. Except for the *Volksschulen*, German public schools had always depended upon tuition for a substantial portion of their support. Cutting off that source of income required budgetary and tax adjustments and a great deal of planning. Economic conditions in the several *Laender* within the American zone and also the attitude of the German educational authorities determined the speed and thoroughness with which these basic reforms could be accomplished.

Hesse took the lead in moving away from the old caste system of education, paving the way for educational reform with constitutional provisions in 1946.<sup>3</sup> On the strength of these provisions, secondary schools in that *Land* were freed of tuition in April 1947. In February 1949<sup>4</sup> the Hessian *Landtag* enacted legislation which confirmed this action and made official the constitutional provision for extension of free schooling through the university and provision of free schoolbooks and learning materials in all public schools. In the same year the schools developed a common curriculum through the fifth school year, which was extended in 1950 through the sixth. In addition to providing free public schools, the Hesse Government appropriated funds for making maintenance grants, or subsidies, to boys and girls, refugee youth included, who were both able and needy.

Not all the other *Laender* acted so promptly or so comprehensively as Hesse, but throughout the American zone, they have made progress toward the goal of a common curriculum for 6 instead of 4 years. Bavaria and Wuerttemberg-Baden (now the Southwest State) have gradually reduced tuition, so that the vanishing point is near. Bavaria passed laws to provide free textbooks for all public-school pupils under 18 and also to allow maintenance subsidies to promising students who need such assistance,<sup>5</sup> but lack of funds has made it impossible to carry out these provisions in full.

Social studies, previously unknown in the German school, are now taught in most schools from the fifth grade upward, and a few schools include them in the lower grades. Teacher-training institutions emphasize both the subject matter and the methods of teaching social sciences. New texts for training for citizenship have been written, printed, and distributed, and citizenship courses include study of the local community,

<sup>3</sup> *Ibid.*, p. 554.

<sup>4</sup> *Ibid.*, p. 564.

<sup>5</sup> *Ibid.*, p. 562.

visits to municipal buildings, and tours of nearby cities. History books no longer present Germany as the center of the universe and have shifted emphasis from German kings and their military triumphs to world affairs and social and economic developments. Gradually, new textbooks have replaced the out-dated ones of the pre-Hitler era and are being printed in sufficient number to permit each pupil to have his own book in most schools. Student councils are common in secondary schools and are to be found in some *Volksschulen*. Parent-teacher associations increase steadily in number and gradually in effectiveness. New courses of study have provided more time for general education in the vocational schools and in some localities have introduced vocational courses in the academic schools.

Vocational guidance is becoming increasingly available to boys and girls. A few *Volksschulen* provide specially trained teachers to give vocational counseling to the students, and some of the larger cities have clinics that counsel both pupils and parents, with a view to helping young people into congenial lines of work.

Health education, free medical and dental examinations, and school feeding programs have combined to raise the health conditions of Germany's youth, many of whom were suffering from malnutrition and diseases resulting from it in the early postwar years. Because of its special position and problems, Berlin continues its free feeding program for all students, including those of the Free University. In some parts of the country, a school feeding program is no longer necessary; in others, those who can pay a small sum for a hot noonday meal do so, while those who cannot pay get the meal free. Through the High Commissioner's Special Project Fund, popularly known as the McCloy Fund, America has helped to make these programs possible. As German authorities are able to assume increasing financial responsibility for the programs, the American contribution diminishes.

### Changes in the Universities

Many changes have come to the German university since the war. For example, whereas formerly very few girls went to the university, now they constitute 25 percent of the student body. The total enrollment of universities in the Federal Republic, 120,000 students, is double that of the Nazi period. Formerly, the student who earned his way through the university was virtually unheard of; the present proportion of fully or partially self-supporting students ranges from 30 percent in Hesse to 80 percent in Berlin's Free University, and universities have student-operated employment offices to help students find jobs that can be combined with their class work. The student council and the student union are now

features of every German university, and, in some institutions, the students have more voice in the administration than the average American university student. Colleges of fine arts have been added to a number of universities since the war, and all offer courses of study which recognize social and political needs. Most of the universities conduct international summer sessions.

### School Buildings

Germany continues short of school buildings but is constructing new ones as rapidly as possible. Most of the new buildings are admirable, and some that have been fashioned out of old army barracks are both functional and attractive. Compared with the new and the imaginatively designed buildings, the typical old-style school-houses that have survived the bombings make a bad showing. In the classrooms of these structures the teacher sits enthroned upon a raised platform looking down upon the pupils. For dark days there is normally only one light, which hangs from the center of the ceiling. The few windows are small and high. Walls are drab. Pupils are crowded together, three or four to a desk and bench. Playgrounds and space for extracurricular activities are inadequate or nonexistent. Unhappily, this type of school was built to last for centuries, and those that escaped bomb damage will undoubtedly endure for some time to come.

Americans, through the Exchange Program and through the McCloy Fund, have helped Germany to get new schools. Germany has many talented and civic-minded architects, a number of whom have studied in the United States through the Exchange Program. Here they have been encouraged to plan schools to serve as models for future school-construction programs.

The new schools are light, airy, and cheerful. In the classrooms of most of them, tables and chairs have replaced the traditional desk. Electric lighting is diffused so that everyone has an equal share of the light. Some schools have an adjoining landscaped terrace which serves as an outdoor classroom for each room in the school. Auditoriums, libraries, laboratories, workshops, and special rooms for demonstration of new teaching techniques are common. Frequently the new school serves as a community center, with its auditorium available for lectures, theatricals, and concerts, its classrooms for evening adult education courses, open forums, or group meetings.

Rural schools in remote spots remain a problem. Often small children are obliged to walk as far as 3 miles each way in order to attend them. Most isolated small rural schools have escaped bomb damage and have remained physically unchanged to date. Many of them are badly overcrowded. In parts of Germany, however, plans are being made to consolidate the upper grades of several

small rural schools into a centrally located union school.

A promising development in the line of consolidation is the Jugenheim Schuldorf, near Darmstadt. There, several communities and a teacher-training institution have united to build a school complex of 17 buildings, which will house all types of schools from kindergarten to adult evening classes. Jugenheim Schuldorf will be used as a demonstration school for one of the larger teacher-training institutions.

### Teachers and Teaching

Understandably, teacher education in postwar Germany has been concerned with instructing teachers on the job as well as training prospective teachers. At first, the only certificated teachers available were those who had received their training either under the old rigid system of the Empire or under the Nazi regime. Until a new generation of teachers could be trained, it was necessary to provide the teachers on hand with opportunity to learn not only new practices and techniques but also new subjects.

In the early occupation period, when teachers taught two or even three shifts daily, they had no time or spirit to learn new methods and to acquire a new philosophy of life and education. But by 1948, the worst of the emergency period was over. Not only German teachers and educators but also the American authorities had more time and energy to give to the training of teachers on the job.

From the beginning of this period of German school reform, the teachers' workshop has proved highly successful, and the number and variety of workshops have increased steadily. Begun under the American Office of Military Government, they have expanded and flourished under the office of U.S. High Commissioner for Germany (Hicog) simply because they meet a vital need. The workshop is a form of conference at which the members work as a single group part of the time and in committees part of the time. The workshop programs consist of lectures, demonstrations of techniques, discussions, committee work on specific problems, and study projects. Some workshops are continuous, like those established in Hesse in 1948 on modern working methods in the school, psychological problems, and education in the fine arts. Others are organized locally to meet a special need.

Educational Service Centers, established by Hicog at strategic points throughout the American zone, provide teachers with the latest professional literature, slides, pictures, and other teaching materials from America and other countries. Their workshops increase teachers' understanding of the social studies and methods of teaching them.

The workshop provides experience in group work and in participating in and conducting dis-

cussions. The workshop has been particularly important in that it has brought together teachers from various types of institutions—the *Volks-schulen*, the part-time vocational schools, and the academic schools—to discuss and try to solve problems common to all.

Periodically international workshops are held. One of the earliest was that held at Esslingen in the summer of 1949 to get help from educational experts of other countries in solving the knotty educational and teaching problems of Wuerttemberg-Baden. At the invitation of the Office of Education and Cultural Relations of Military Government for the *Land*, educators from the United States, the Netherlands, France, and Switzerland spent the summer in Esslingen working with educators of Wuerttemberg-Baden on those problems. Teachers who had been isolated from the ideas and teaching developments of the outside world for 13 years or more joined in the international give and take.

Another type of international workshop was held in Braunschweig from May 12 to 23, 1952, with representatives from Belgium, France, the Netherlands, Switzerland, the United Kingdom, Norway, Denmark, Italy, Greece, Austria, Germany itself, and the United States. Basically, this workshop conference was for historians and history teachers. Its objectives were to get an evaluation by German history teachers and historians of American history textbooks and their way of presenting German history and life and to get an evaluation by American historians and history teachers of the new German history textbooks.

Since 1948 when the privilege of foreign travel was restored to German nationals, each year has brought a larger number of teachers, educators, and students to the United States to study and observe teacher-training institutions and public schools. In the 1951-52 academic year, 180 young German teachers of 1 to 5 years of experience came here, in groups of 15 or 20, to spend 6 months at various teacher-training institutions and then to go out singly for 2 months' practical teaching experience in public schools. In the coming year 100 more elementary-school teachers will come to the United States for the same kind of experience; 19 German secondary school teachers will come here to teach German for a year in American high schools; and 19 American high school teachers will go to Germany to teach English in German secondary schools.

### In Conclusion

Authoritarianism has not vanished from the German school. Many older teachers continue to lecture authoritatively, shunning the discussion method and resenting the enthusiasm for new ways and ideas shown by young returned exchangees. Not all the exchangees returning from America



are capable of standing up to their seniors in the profession: many young teachers are afraid to practice the techniques that they have acquired, lest they lose their jobs. In many instances children of well-to-do parents continue to get more consideration than children of the poor. Corporal punishment is sanctioned by law in two *Laender*. Many parents continue to wash their hands of school affairs, believing that the school is the teacher's responsibility just as the home is the parents'. Old dueling fraternities, outlawed though they are, have turned up in many German universities to flout democratic principles.

Nevertheless, German educators and foreign observers agree that there is a steady if slow movement away from authoritarianism, a growing appreciation of the worth of the individual child, and a growing recognition of the school's responsibility to train for citizenship. That the teachers are becoming politically educated and capable of asserting themselves outside the school room is suggested by the fact that a Bavarian teachers' organization was recently able to fill 22 seats in the *Landtag*.

Americans have had to persuade, demonstrate, work with, and help the Germans without rushing them and, above all, without trying to force democratic concepts or American ways upon them. This policy of persuasion and cooperation has paid substantial dividends. John F. Steiner, formerly chief cultural officer for Wuerttemberg-Baden, who recently revisited Germany to report on the effects of American ideas on German education, wrote:

Wherever the American policy revealed magnanimity and intelligent understanding, there was a correspondingly good reaction. One of the German opponents to American ideas said that what unseated him the most was the knowledge that whereas we had the power as a victorious nation to impose our will, we actually forebore to use this power. Therefore, almost against his will, he found himself in agreement with many new ideas. He said this attitude of magnanimity was an abiding force in the development of school reforms.

As concrete evidence of progress made by the

German school system toward democracy, more money is being spent per child in Germany's public schools than ever before. This improved financial status is a reflection of an increasingly responsible attitude on the part of both public officials and private citizens toward the young, of a growing sentiment that their children deserve the best. A bright child of poor parents has a greater chance of getting the kind of education that was previously denied him because of his financial status, and the principle of coeducation is gaining ground. Many more German schools are free of tuition and provide free textbooks than ever before and, with each passing year, each teacher has slightly smaller classes to deal with. In 1946 the average *Volksschule* teacher in Wuerttemberg-Baden taught 87 pupils; by late 1951 the average was 43. As teachers become less harried and overworked, teacher-student relations naturally become warmer, more informal. Generally speaking, teacher education is on a higher level. All these things are symptomatic of the far more important change that is taking place in German educational philosophy.

A fresh wind is blowing through the new German Federal Republic, dissipating the old mists of illusion and delusion. Educators have had to climb out of their ivory tower and come down to earth. What teachers teach and children learn in Germany today takes into account the world around them as it is and Germany's actual position in relation to that world. The drift of German education is definitely away from the old exaggerated nationalism and toward internationalism. German youth today is growing up in peace and neighborliness, with democratic ideas and practices and with a healthy interest in the people and problems outside its own small world.

•*Mr. DeLong, author of the above article, is Officer in Charge of the Division of German Cultural and Social Affairs. He served as Chief of Education and Cultural Relations in the State of Hesse with the U. S. Office of Military Government.*

## Agreement on Terms of Settlement for Prewar German Debts

Press release 627 dated August 8

*Following is the text of a communiqué, Committee A's report, and summaries of reports made by Committees B, C, and D, on the German Debt Settlement issued at London on August 8:*

### TEXT OF COMMUNIQUÉ

The London Conference on German External Debts ended today with the adoption at a plenary meeting of a conference report. This report records the terms of settlement for German prewar external debts, which have been agreed between creditors and debtors and which are recommended for the approval of the governments concerned. Speaking for the Tripartite Commission on German debts, representing the Governments of France, the United Kingdom and the United States of America, at whose invitation the conference was called, Sir George Rendel (United Kingdom), M. F. D. Gregh (France), and Mr. John W. Gunter (United States) congratulated the delegates on the completion of a successful conference and thanked them for the hard work which the solution of the problems confronting the conference had entailed.

Information on the settlement terms agreed between creditors and debtors is contained in the attached summary statement. It will be seen that, broadly speaking, these terms adhere as closely as possible to the terms of the original contracts and do not, in most cases, entail any reduction of the original principal amounts. Payments on loan contracts containing gold clauses will be made as though the values of the currencies of issue of the

loan had been defined in relation not to gold but to the United States dollar. The Young loan agreement contains an additional form of exchange guarantee. In the main, future interest rates have been somewhat reduced from those provided in the original contracts. Amortization of the principal of most of the debts will begin after five years and maturity dates have been extended. Provision is made for more rapid repayment of capital and interest in certain types of debt, if this is made in blocked deutschemarks which can be utilized for investment in Germany.

The report of the conference provides for the preparation of an intergovernmental agreement to give international authority to the settlement plan recommended in the report. Governments interested in the debt settlement will be invited to become parties to the intergovernmental agreement.

At the final plenary meeting today, the Tripartite Commission announced that work would proceed immediately on the drafting of the proposed intergovernmental agreement. At the same time bilateral agreements would be prepared providing for the settlement of the claims of the United Kingdom, France and the United States in respect of their postwar economic aid to Germany. These claims were the subject of earlier discussions last December at which the three powers offered, subject to the conclusion of a satisfactory and equitable agreement on Germany's prewar debts, to make important concessions in the priorities and amounts of their claims.

Herr Hermann J. Abs, the head of the German Delegation, said he associated himself with the recommendations now before the Conference because it was his desire to meet the wishes of the creditors to achieve a debt settlement which would

satisfy them. He expressed the hope that the results reached at the Conference would prove to be bearable for the Federal Republic in spite of its limited capacity. He pointed out that it would be necessary to realize that the Federal Republic was going to face a heavier burden not only during the coming years, but over a long period. In this connection Herr Abs declared the debt settlement would be jeopardized if the Federal Republic were asked to assume still further obligations from the past.

In this respect he referred in particular to claims by foreign countries which were at war with Germany dating from the time of the two World Wars, especially further reparation claims. In conclusion, Herr Abs stated that measures necessary to obtain Parliamentary approval for the debt settlement plan would be expedited to the greatest possible extent.

On behalf of the Creditors Committee, Baron van Lynden (Netherlands) Acting Chairman, expressed his satisfaction at the conclusion of the negotiations and thanked the Tripartite Commission, the German Delegation, and his colleagues on the Creditors Committee for the spirit of wholehearted cooperation which had helped to achieve this result. A number of Government and private creditor representatives whose names follow also addressed the meeting: (1) M. E. de Graffenreid (Switzerland), (2) Dr. Kurt Harrer (Austria), (3) M. L. Smeers (Belgium), (4) Sir Otto Niemeyer (United Kingdom), and (5) Sir Edward Reid (United Kingdom).

The Conference which ended today had been preceded by more than two years of preparatory work by the interested governments. In an exchange of letters of March 6, 1951,<sup>1</sup> between the Chancellor of the German Federal Republic and the three Allied High Commissioners, acting on behalf of the Governments of France, the United Kingdom and the United States of America, the Federal Government confirmed its liability for the prewar external debt of the German Reich and acknowledged in principle the debt arising from the postwar economic assistance furnished to Germany by the three powers, and its willingness to accord this debt priority over all other foreign claims against Germany.

In May, 1951, the three governments set up the Tripartite Commission on German Debts.<sup>2</sup> In June and July, 1951, the commission held preliminary discussions with representatives from Germany and from the principal creditor countries. The Tripartite Commission has also been responsible for the organization of the London Conference and has represented the three governments

throughout the negotiations. The members of the Tripartite Commission are Sir George Rendel, K. C. M. G., (United Kingdom), M. F. D. Gregh (France) and Ambassador Warren Lee Pierson (U. S. A.). In the recent absence of Mr. Pierson, the United States has been represented by Minister John W. Gunter. The German Delegation has been led throughout by Herr Hermann J. Abs.

The Conference held its first plenary meeting at Lancaster House, London, on February 28, 1952. In carrying out its work, the Conference was guided by certain principles, which appear in the report. They include the principle that the Federal Republic's economic position and limited territorial jurisdiction should be taken into account, to avoid dislocation of the German economy, undue drain on Germany's foreign exchange, or appreciable additions to the financial burden of any of the three governments. A further principle was that the settlement should ensure fair and equitable treatment of all interests affected and that it should provide for appropriate action on the reunification of Germany.

Twenty-two creditor countries sent delegations to the conference composed of governmental, and, in many cases, private creditor representatives. The private creditors of France, the United Kingdom and the United States of America were represented by separate delegations. Three countries sent observers, while the Bank for International Settlements was represented as a creditor in its own right. The delegation from the Federal Republic of Germany contained both governmental and private debtor representatives.

To facilitate its work, the Conference set up a steering committee composed of the three members of the Tripartite Commission, 13 representatives of creditor interests from Belgium, Brazil, France, Italy, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States, and 5 members representing the public and private debtor interests of the Federal Republic. The steering committee was charged with the organization of the Conference and with ensuring that all recommendations submitted to plenary meetings were such as to achieve an equitable overall settlement and equal treatment for all creditors within each category of debts.

The creditors committee which was established to coordinate the views of the various groups of creditor interests and to appoint members of the negotiating committees was composed of representatives from each creditor country.

Four negotiating committees were set up with representatives of both creditor and debtor interests as well as observers from the Tripartite Commission. They dealt respectively with: Reich debts and debts of other public authorities—medium and long-term German debts resulting from private capital transactions, standstill debts and commercial and miscellaneous debts.

<sup>1</sup> For text, see S. Exec. Q and R, 82d Cong., 2d sess., p. 63.

<sup>2</sup> For previous statements on work of the Conference on German External Debts, see BULLETIN of June 4, 1951, p. 901; Aug. 27, 1951, p. 358; Dec. 24, 1951, p. 1021; Feb. 11, 1951, p. 206; Mar. 24, 1951, p. 473.

## FULL TEXT OF COMMITTEE A REPORT

I. Debts of the Reich and of Other Public Authorities.

The Government of the Federal Republic of Germany (hereafter referred to as the Federal Government) will undertake to offer to the bondholders to pay and transfer the following amounts:

### 1. The 7 Percent External (Dawes) Loan 1924

(A) As on the first coupon date following the 31st March 1953 interest at five and one half percent per annum on the American issue and 5 percent per annum on the other issues.

(B) As on the first coupon date following the 31st March 1958 a sinking fund of 3 percent per annum on the American issue and 2 percent per annum on the other issues shall be added to the above interest payments and constitute with them a cumulative annuity.

(C) The maturity date shall be extended to the year 1969.

(D) Arrears of interest outstanding shall be recalculated at 5 percent simple interest, and in respect of the resulting total the Federal Government will issue 20-year bonds carrying 3 percent per annum interest and after 5 years 2 percent sinking fund. On bonds for so much as represents arrears due to the 31st December 1944 payment will be made as from the 15th April 1953: bonds for the balance will not be issued until the unification of Germany when payment on these bonds will begin.

(E) In all respects other than those indicated above, the terms of the original loan contracts shall be maintained.

(F) All expenses incidental to carrying out the above modifications of the original contracts shall be borne by the Government of the Federal Government.

### 2. The Five and One-half Percent International (Young) Loan 1930

(A) As on the first coupon date following the 31st March 1953 interest at 5 percent per annum on the American issue and four and one-half percent per annum on the other issues.

(B) As on the coupon date following the 31st March 1958 a sinking fund of 1 percent per annum shall be added to the above interest payments and constitute with them a cumulative annuity.

(C) The maturity date shall be extended to the year 1980.

(D) Arrears of interest outstanding shall be recalculated at four and one-half percent simple interest and in respect of the resulting total the Federal Government will issue 20-year bonds carrying 3 percent per annum interest and after 5 years 1 percent sinking fund. On bonds for so much as represents arrears due to the 31st December 1944 payment will be made as from the

15th April 1953. Bonds for the balance will not be issued until the unification of Germany when payment on these bonds will begin.

(E) The amounts due in respect of the various issues of the five and one-half percent international loan 1930 are payable only in the currency of the country in which the issue was made. In view of the present economic and financial position in Germany, it is agreed that the basis for calculating the amount of currency so payable shall be the amount in U. S. dollars to which the payment due in the currency of the country in which the issue was made would have been equivalent at the rates of exchange ruling when the loan was issued. The nominal amount in U. S. dollars so arrived at will then be reconverted into the respective currencies at the rate of exchange current on 1st August, 1952. Should the rates of exchange ruling any of currencies of issue on 1st August, 1952, alter thereafter by 5 percent or more, the installments due after that date while still being made in the currency of the country of issue, shall be calculated on the basis of the least depreciated currency (in relation to the rate of 1st August 1952) reconverted into the currency of issue at the rate of exchange current when the payment in question becomes due.

(F) In all respects other than those indicated above, the terms of the original loan contracts shall be maintained.

(G) All expenses incidental to carrying out the above modifications of the original contracts shall be borne by the Government of the Federal Republic.

### 3. The 6 percent external (Match) loan 1930—

(A) As on the first coupon date following the 31st March 1953 interest at 4 percent per annum.

(B) As on the first coupon date following the 31st March 1958 a sinking fund of one and one quarter percent shall be added to the above interest payments and constitute with them a cumulative annuity.

(C) Arrears of interest to be recalculated at 4 percent simple interest but otherwise to receive the same treatment as the arrears in respect of the Young loan.

(D) The maturity date shall be extended to the year 1994.

(E) As long as the service of the Match loan is effected according to the provisions of the London agreement, the payment for interest and amortization of the loan will be made at the office of the Skandinaviska Banken in Stockholm, Sweden, in Swedish kronor equivalent to the amount due in U.S. dollars at the rate of exchange on the due date.

(F) In all other respects other than collateral the Match loan shall have the same treatment as the Young loan.

### 4. Konversionskasse bonds—

The Federal Government will undertake to

make the following payments in respect of Konversionskasse bonds and scrip:

(A) As on the first coupon or interest date following after the 31st March 1953 interest at the original contractual rates.

(B) As on the first coupon date following after the 31st March 1958 a sinking fund of 2 percent per annum shall be added to the above interest payments and constitute with them a cumulative annuity.

(C) The maturity dates of these bonds shall be extended by 17 years from the existing maturity dates.

(D) Two-thirds of the arrears of interest calculated at the contractual rates shall be waived. The remaining one-third shall be funded and carry the same interest and sinking fund as the original bonds.

(E) In all other respects the original contracts of these bonds shall be maintained.

(F) All expenses incidental to carrying out the above modifications of the original contracts will be borne by the Federal Government.

(G) Reichsmark bonds and scrip will be converted into Deutschemark at the rate of 1:1.

5. Certain small liabilities of the Reichsbahn and the Reichspost in foreign currencies other than those covered by Appendix 6 will be the subject of negotiation between the Federal Government and the creditors.

6. Debts in Reichsmarks of the Reich, the Reichsbahn, the Reichspost and the State of Prussia.

In response to the request of the creditors representatives the Federal Government will undertake:

(A) To extend at their request and in application of the principle of national treatment to foreign creditors the benefit of the advantages and compensations which have been or may ultimately be granted in connection with the monetary reform to German creditors.

(B) To extend to foreign creditors at the time for the enactment of any future German law relative to the conversion and settlement of debts the benefit of the most favorable treatment provided by this law for German creditors.

(C) If the law mentioned in paragraph (B) above is not promulgated before 1st January 1954 or does not cover all categories of debts, to open before the 1st April 1954 negotiations with the foreign creditors representatives in course of which these representatives reserve the right to ask for a special settlement of these debts.

The present undertaking applies to all Reichsmark debts of the Reich and the Reichsbahn and the Reichspost whether represented by bonds (Treasury bills, obligations of the Ablosungsanleihen, etc.) or not so represented.

(D) The Federal Government further undertakes to extend the same treatment to the future service of the Reichsmark liabilities of the state of Prussia.

B. *External Bonds issued or guaranteed by the states (Laender), municipalities and similar public bodies within the territory of the Federal Republic of Germany*

7. The respective debtors shall pay to be transferred by the Federal Government the following amounts:

(1) Bonds other than those of the State of Prussia:

(A) As on the first coupon date following after 31st March 1953, 75 percent of the original contractual interest (subject to a minimum of 4 percent per annum and a maximum of five and one quarter percent per annum) or the rate specified in the original contract if less than 4 percent per annum:

(B) Interest at the same rates on two-thirds of any arrears of interest (other than interest already covered by Konversionskasse bonds or similar agreed arrangements). These arrears shall be funded:

(C) As on the first coupon dates following after the 31st March 1958 a sinking fund of 1 percent per annum, to be increased on the 31st March 1963 to 2 percent in the case of loans maturing in 1968 or after shall be added to the above interest payments and constitute with them a cumulative annuity:

(D) The maturity dates of these loans shall be extended by 20 years from the existing maturity dates:

(E) In respects other than those indicated above, the terms of the original loan contracts shall be maintained unless otherwise agreed by the creditor in special circumstances. Where exceptional circumstances peculiar to a particular debtor or are such as to satisfy the creditors representatives that it is impracticable for that debtor to conform to the general arrangement, such adjustment as may seem necessary shall be made by agreement between the debtor and the creditors representatives.

(F) Bonds issued and payable outside of the territory of the Federal Republic denominated in Reichsmark shall be converted, at the rate of 10:1, into Deutschemark. They will carry interest at the original contractual rate. Arrears of interest shall be funded on the same basis and shall carry the same rate of interest. The bonds shall be extended for a period of 15 years after the maturity date, and will be redeemable in equal annuities, the first being due on the first coupon maturity date in 1958. Interest and redemption moneys will be transferred in the currency of the country where the bondholder has his residence.

(G) Reference to an "original contract" or to an "original contractual interest" shall be read as reference to the contract or the relative contractual interest subsisting between creditor and debtor at the time when the borrowing was first made or the obligation was first incurred, unless a conversion (herein called an "effective conversion")

was made before the 9th June 1933 or was made on or after that date on account of the insolvency or threatened insolvency of the debtor or as a result of free negotiation—provided that—

(I) In disputed cases the decision shall lie with a court of arbitration where the burden shall be on the debtor to prove that the arrangement was freely negotiated, and

(II) Arrangements made where the German custodian of enemy property or a person appointed by a German authority in an occupied territory represented the creditors or resulting from mere acceptance by the creditor of a unilateral offer made by the debtor shall be presumed not to have been freely negotiated.

In calculating future interest and arrears of interest under the general formula, the original contractual rate shall apply. Where, however, an effective conversion has taken place the converted rate of interest shall apply—provided that in such case the converted rate shall not be subject to any reduction either as to arrears of interest or as to future interest, unless the debtor prefers calculation on the basis of the original contractual rate under the general formula.

(H) All expenses incidental to carrying out the above modifications of the original contracts shall be borne by the debtors.

(I) Where the remaining capital amount of the total of all bond issues in foreign currency of a particular issue is small, the debtor may offer an earlier repayment and final settlement of the entire amount of such indebtedness and arrears of interest without regard to the limitations and provisions under (D) above relative to the prolongation of the indebtedness.

(J) (1) All corporate obligations guaranteed by a state, city, municipality or other governmental body shall be settled in accordance with "agreement for the settlement of medium and long term German debts resulting from private capital transactions" (Annex 4 to the Conference Report) provided that such guarantees shall continue in force in accordance with its terms.

(2) Bonds of the State of Prussia: The Federal Government, on behalf of the several Laender which succeeded to territory and assets formerly belonging to the State of Prussia, shall make payments as follows:

(A) As to external sinking fund six and one-half percent dollar bonds of the 15th September 1926 due 15th September 1951 and external sinking fund 6 percent dollar bonds of the 15th October 1927 due 15th October 1952:

(I) The Federal Government will issue new dollar bonds bearing first coupon dated the 1st April 1953, and maturing in 20 years, in the same denominations as the outstanding bonds of the above issues bearing interest at the rate of 4 percent payable semi-annually on the 1st April and 1st October. On the 1st April 1958 a sinking fund of 1 percent per annum shall be added to the above

interest rate and constitute with it a cumulative annuity. The debtor may call bonds by lot at par or may purchase bonds in the open market or otherwise and may provide additional amortisation as long as the service is maintained in accordance with the contract;

(II) Outstanding coupons on the old issues bearing dates from the 15th March 1933 to 31st December 1936 will be extended for a period of 20 years, and upon such extended maturity 50 percent of the amount thereof shall be paid in U.S. dollars on the corresponding dates in 1953, 1954, 1955 and 1956;

(III) Coupons maturing on or after the 1st January 1937 shall receive no payment until such time as territories formerly belonging to the State of Prussia and now outside the territory of the Federal Republic shall be joined to the Federal Republic, at which time payment shall be the subject of negotiation;

(IV) All expenses incidental to carrying out the above shall be borne by the Federal Government.

(B) As to the four and one-half percent Swedish Crown bonds of the Lübeck state loan of 1923, taken over by the State of Prussia in 1938:

The outstanding bonds of this loan, for which notice of repayment was given for the 1st May/1st November 1944 will be redeemed upon presentation at the current rate of exchange, subject to a discount of 50 percent of the nominal amount and without payment of any arrears of interest.

(C) Non-bonded indebtedness (other than that covered by Appendix 6)

The terms of paragraph 7 (1) will apply, *mutatis mutandis*, service starting from 1st January 1953. In the settlement of Mark claims regard will be had to the relevant provisions of Appendix 6.

I. Procedure for carrying out these proposals—

(A) The terms of the proposals may be enforced on existing bonds, or new bonds issued in exchange for existing bonds, and new bonds or fractional scrip issued for arrears of interest, depending upon the convenience and custom prevailing in the several markets in which the bonds were originally issued. Such enforced bonds or new bonds will conform to prevailing market practice. The debtors at their own expense will employ suitable banking institutions for the purposes of carrying out the details of the proposal. The debtors at their own expense will meet all requirements of governmental authorities and securities markets in order to ensure maximum marketability.

*Term of Offer*

(B) The offer will be made in the respective countries as may be agreeable with bondholders councils or analogous bodies and shall remain

open for acceptance by the bondholders for at least five years. The debtors shall extend the offer for a further period for reasonable cause.

#### *Reservation of Rights*

(C) If any debtor fails to fulfil the obligation undertaken under the present agreement the creditors shall be entitled to revert to their original contractual rights.

#### *Paying Agents and Trustees Expenses*

(D) Paying agents commissions and expenses and trustees fees and expenses for the future will be paid and transferred.

#### *Other Expenses*

(E) The creditors representatives reserve the right to obtain payment from the respective debtors of all expenses incurred by them in connection with the London conference, and the making of an offer hereunder shall be deemed an acceptance by the debtor of this clause. Nothing herein contained shall preclude any creditors' representative for making and collecting such reasonable additional charge as it may deem appropriate from the bondholders or creditors in accordance with established practice or otherwise.

#### *Validation*

(F) The Federal Government undertakes to do all in its power in order to establish, on the basis of the German validation law passed by its Parliament and about to be enacted, an appropriate procedure for the validation of German foreign currency bonds, which procedure shall be effective in the several creditor countries as soon as possible but not later than on February 1st, 1953.

Payment on bonds or coupons which require validation under the German validation procedure shall not be made until such bonds or coupons shall have been validated pursuant thereto.

9. The Bondholders Councils concerned or analogous bodies will recommend these terms to the acceptance of their bondholders.

### *C. Mixed Claims Bonds*

10. The German Delegation on External Debts, on the one hand, and the representatives of the American Awardholder Committee Concerning Mixed Claims Bonds on the other hand, have agreed as follows:

The German Federal Republic will propose to the Government of the United States, and the Awardholders Committee will recommend to the Government of the United States and to the individual awardholders, the settlement on the following terms of the obligation of the Federal Republic of Germany to the United States on behalf of private United States nationals for

whose benefit mixed claims bonds were issued by Germany in 1930 and which bonds are in default:

(1) The payment by the Federal Republic on the 1st April 1953 and on the 1st April of each succeeding year during the period described of the following amounts:

For each of the first five years -----	\$3,000,000
For each of the next five years -----	\$3,700,000
For each of the next sixteen years -----	\$4,000,000

Payment will be made in U. S. currency dollars to the United States for distribution to the awardholders.

(2) Any installment not paid when due will bear interest at 3¾ percent from due date to date of payment.

(3) Bonds denominated in dollars and maturing in the amounts and on the dates of the payments will be issued in evidence of the obligations of the Federal Republic and upon issuance a proportionate number of old mixed claims bonds will be cancelled and returned to the Federal Republic.

(4) The terms of the settlement will be embodied in a bilateral agreement between the Federal Republic and the United States.

(5) Full performance of this agreement by the Federal Republic and by any successor government and payment of the amounts due under this agreement shall constitute fulfillment by the Federal Republic and by any successor government and as full discharge of each of them of their respective obligations under the agreement of June 23rd 1930 and bonds issued pursuant thereto in respect of awards of the mixed claims commission, United States and Germany made on behalf of nationals of the United States, any thing in the exchange of letters of the 23rd October 1950 and 6th March 1951 between Chancellor Adenauer and the Allied High Commissioners for Germany or in the memorandum of December 1951 prepared by the Tripartite Commission to the contrary notwithstanding.

### *11. Greco-German Arbitral Tribunal Claims*

A preliminary exchange of views has taken place between the Greek and German delegations in regard to claims held by private persons arising out of decisions of the mixed Greco-German arbitral tribunal established after the first world war. This will be followed by further discussions, the result of which, if approved, should be covered in the intergovernmental agreement.

### *D. Miscellaneous*

The following settlements are recommended:

## 12. Lee Higginson Credit

(A) Participants to receive new 2-year notes of the Federal Government for full principal amount of their respective participations. (2-year notes, as original period of the credit when granted in 1930 was 2 years.)

(B) No back interest.

(C) No gold clause.

(D) New notes to bear interest from effective date of agreement at rate of three and one half percent per annum payable in advance monthly.

(E) Collateral fund to be reconstituted in form of a deutschemark deposit in the Bank Deutscher Laender, in the name of the German Federal Debt Administration as trustee—such fund to be calculated to be the equivalent of the notes in deutschemarks at official rates of exchange, and to be built up by the Federal Republic in 24 equal monthly installments from date of the notes.

(F) Participants to be entitled to receive prepayment of the whole or part of their notes, if they wish, in deutschemarks converted at official rate and to constitute full discharge of dollar or sterling obligation pro tanto—such payment to be made at participant's option as and when German laws and regulations so permit. Any such payment to be made out of the collateral fund to the extent the participants proportionate interest in the collateral so permits, any balance to be paid in deutschemarks directly by the Federal Government.

## 13. Bank for International Settlements credits

(A) The Federal Government will pay to the Bank for International Settlements as from the 1st January 1953 in respect of current interest on the claims of the bank an annual sum of 5,600,000 Swiss francs.

(B) In consideration of the payment of this annuity the bank has agreed to maintain its credits at their present level until the 31st March 1966. It has also agreed to postpone until that date the settlement of arrears of interest.

For full text of the agreement see Appendix A.1.

## 14. Konversionskasse Receipts

(A) The Federal Government agrees to assume liability for full payment in the due currencies to the Foreign Creditors of the sums paid into the Konversionskasse by debtors in the Saar in respect of which the Foreign Creditors have not received foreign exchange payments or been otherwise satisfied.

(B) The Federal Government agrees to assume liability for payment in the due currencies to the foreign creditors of 60 percent of the sums paid into the Konversionskasse by debtors in Austria, France, Belgium and Luxemburg in respect of which the foreign creditors have not received foreign exchange payments or been otherwise satisfied.

(C) The Federal Government will negotiate with the foreign creditors representatives before the end of December 1952 as regards the implementation of these undertakings.

## 15. Liability in Respect of Austrian Governmental Debts

The creditors have been unable to arrive at a settlement on this question, which will be the subject of further negotiations at an early date.

## 16. Agreement Between Belgium and the German Federal Republic

(1) The Government of the German Federal Republic recognizes that a sum amounting to RM 107,856,835.65 was, on 10th May, 1940, placed to the credit of the Belgian Government in respect of the annuities provided for in the German-Belgian agreement of 13th July, 1929, and paid into the Konversionskasse up to the 15th November, 1939.

On the other hand, the following were not paid into the Konversionskasse and are still owing to the Belgian Government:

(A) The monthly portions of annuities due between 15th December, 1939, and 10th May, 1940, namely— RM 10, 833, 333. 33

(B) The monthly portions of annuities due between 10th May, 1940, and 8th May, 1945, namely----- RM 105, 908, 502. 32  
Total----- RM 224, 598, 502. 32

(2) Being willing to compromise on the settlement of the above-mentioned debt, the Government of the German Federal Republic undertakes to pay, and the Belgian Government undertakes to accept, a lump sum equal to forty million (40) Deutschemarks, payable in fifteen (15) annual installments falling due on the 1st July of each of the years 1953 to 1967, namely:

5 annuities, from 1953 to 1957, amounting to---- DM 2 million each  
10 annuities, from 1958 to 1967, amounting to---- DM 3 million each

The Belgian Government agrees to accept the above payments in final and definitive settlement of the Belgian claims concerned up to 8th May, 1945.

(3) Each of the above-mentioned annuities shall be represented by a bond of the German Federal Republic, expressed in Deutschemarks, and shall be transferred in Belgian currency at the mean official rate of the Bank Deutscher Laender in operation on the day before the bond becomes due. The bonds shall be delivered to the Belgian Government on 1st April, 1953, at the latest.

(4) Any bond not paid at the date when it becomes due shall bear interest at the rate of 3 percent per annum for the benefit of the Belgian Government.



## SUMMARY OF COMMITTEE B REPORT

### II. Medium and long-term debts resulting from private capital transactions

The main provisions of the agreement reached are:

Settlement terms:

Principal

No reduction.

Arrears of interest

Two-thirds of outstanding interest calculated up to the 31st December, 1952, to be funded and added to the principal.

Future rate of interest

Three-quarters of the interest rate provided in the existing contract.

Maturity

The due date of indebtedness to be extended from 10 to 25 years from the 1st January, 1953, the period depending on the nature of the debtors business and his present financial situation.

Amortisation

Amortisation to commence on the 1st, January, 1958, and to be at the rate of 1 percent per annum for 5 years, and thereafter 2 percent per annum.

Konversionskasse

(Nazi Exchange Control Office)

The German Delegation and the creditor representatives, while maintaining their respective views as to the legal position of payments made into the Konversionskasse, have agreed to the principle that where such payments were not received by the creditor they are regarded as an outstanding obligation still due and payable. However, a debtor is to be reimbursed by the German Federal Republic for any double payments.

Procedure:

It is provided that each individual debtor shall make an offer of settlement to his creditors for their approval and acceptance, which offer shall provide for an acceptable maturity, and for adequate security with protective provision satisfactory to the creditors. In cases where debtors and creditors cannot reach agreement on the terms of offer by negotiation, an arbitration committee has been established to which such disagreements shall be referred for decision.

Provision for the special treatment of unusual situations (so-called hardship cases) has been made.

In general, each debtor corporation is to arrange for individual settlement with his creditors within the over-all provisions of the report.

The creditor committees which have sent delegates to the London Debt Conference will recommend to the individual creditors the acceptance of such settlements.

## SUMMARY OF COMMITTEE C REPORT

### III. Standstill indebtedness.

The main provisions agreed are:

1. No provision for reduction of the principal of the indebtedness by periodical foreign exchange payments during the period of the agreement.

2. Credits to be recommercialized as far as possible, i. e., to be re-activated so as to finance Germany's current trade with other countries without loss of foreign exchange to Germany.

3. Creditors who make additional foreign exchange facilities available to the German economy, by granting new credit lines to German banks and industry outside the agreement, to be entitled to repayment of existing indebtedness to the extent of 3 percent of each three months availment of such new lines of credit.

4. No repayment facilities in DM (such as were provided in previous agreements) with the exception of those existing under the present regulations.

5. All arrears of interest, calculated at 4 percent P. A. (simple), either to be added to principal or to be postponed (subject to any voluntary arrangement for payment in DM under 4 above).

6. Current interest acceptance commissions to be payable in the currencies of the debts at rates not exceeding those ruling in the respective markets.

7. Consideration of credits to debtors in the eastern zone of Germany (about 20 percent of the total) is postponed.

8. Payments received by creditors from other sources in respect of German indebtedness (e. g.

under U. K. distribution of German enemy property act) unless applied against other German debts, to be applied in reduction of standstill indebtedness to the extent required by law or elected by creditors.

9. In view of its terms and in accordance with the practice prevailing since 1931, the agreement to be for a period of one year.

#### SUMMARY OF COMMITTEE D REPORT

#### IV. Commercial and Miscellaneous Debts.

The Main Provisions Agreed Are:—

Transfers in foreign exchange.

(A) On amounts due in respect of goods

One third of the amount to be paid as soon as individual agreements under the plan are concluded. The balance to be paid after 1 year in 10 equal annuities.

(B) On amounts due in respect of wages, salaries, pensions, etc.

To be paid in 5 equal annuities.

(C) On amounts due in respect of forms of debts under this heading, other than capital claims.

To be paid in 10 equal annuities.

Payment in German currency

Within a limited period creditors may option for payment, in deutschemarks. In this event the debt will be discharged more rapidly but the utilization of such receipts will be subject to German exchange control and other regulations which shall in principle not be more restrictive than those at present in force.

Arrears of interest

$\frac{2}{3}$  of the arrears, calculated at simple interest, to be added to the capital.

Future interest rates after January 1st, 1953 other than for capital claims

No payment of interest until 1958. Thereafter, 75 percent of contractual rate, with a minimum of 4 percent.

Miscellaneous Capital Claims

Arrears of interest:

Two  $\frac{1}{3}$  of outstanding interest calculated up to the 31st December 1952 to be funded and added to the principal.

Future rate of interest:—

Three quarters of the interest rate provided in the existing contract. Minimum rate of interest to be 4 percent rising in the case of some claims to 6 percent.

Repayment of principal with interest due up to Dec. 31st, 1952.

(A) No repayment of capital until Jan. 1st, 1958.

(B) From Jan. 1st, 1958 to Dec. 31st, 1962: 3 percent per annum.

(C) From Jan. 1st, 1963 to Dec. 31st, 1967: 8 percent per annum.

(D) From Jan. 1st, 1968 to Dec. 31st, 1970: 15 percent per annum.

Transfer to be granted for interest after Jan. 1953 and capital repayments.

General provisions

In appropriate cases, the agreements provide for arbitration machinery and for the treatment of hardship cases, where a German private debtor is unable to meet his full obligations.

Procedure

The plan contemplates that individual settlements will be concluded between creditors and debtors on the basis of the agreed terms.

## Aid to Escapees From Iron Curtain Countries

by George L. Warren

The arrival in New York of the *General Taylor* on August 16 signaled the fact that the Escapee Program, authorized by the President on March 22, 1952,<sup>1</sup> and administered by the Department of State under the provisions of the Mutual Security Act of 1951, is well under way. Forty-four refugees who recently escaped from Iron Curtain countries—many under dramatic circumstances—were on board this vessel of the Military Sea Transport Service. Their passage was provided by funds made available under the program.

In anticipation of the termination of the International Refugee Organization (IRO), which finally took place in January 1952, various efforts were made to organize continuing services for the refugees who remained in Europe and whose numbers were being constantly augmented by escapees from the Communist-dominated countries of Eastern Europe. The United Nations established the Office of the High Commissioner for Refugees in 1951 and elected G. J. van Heuven Goedhart as High Commissioner. Mr. Goedhart's task is to secure the protection of refugees by intervening with governments to establish, on behalf of refugees, the conditions under which they may make progress toward self-dependence, particularly through the acquisition of citizenship. In December 1951 the Provisional Intergovernmental Committee for the Movement of Migrants from Europe (PICMME) was established under U.S. initiative at Brussels. This Committee, which now has a membership of 20 governments, had moved a total of 50,000 migrants and refugees out of Europe by June 30, 1952.<sup>2</sup>

### Additional Services Needed

In the course of organizing the foregoing international efforts, it became apparent that additional services for refugees would be required. Although IRO had resettled over 1,000,000 refugees out of Europe between 1947 and 1952, some thousands remained who required assistance either in resettlement overseas or in establishing themselves in their countries of residence in Europe. Many were obliged to continue living in camps in Germany, Austria, Italy, Trieste, Greece, and Turkey in the absence of other housing accommodations. The standards of subsistence provided in these camps were inadequate, even though they represented the maximum that the countries of first asylum could provide, in view of the burdens already imposed upon them by their own excess populations and by other refugees of the same race and culture.

Not only were these conditions demoralizing to the refugees who had risked their lives to escape to the free world; they also did not in any sense reflect the hospitality which the Western democracies desire to accord to those willing to sacrifice so much to regain their own self-respect and to live in a free and democratic society. To remedy this situation, the Department of State, in collaboration with other interested Federal agencies, established the Escapee Program in April under the authority contained in the Mutual Security Act of 1951.

The chief objectives are to establish better facilities of reception for refugees in the countries of first asylum; to supplement the care and maintenance already provided by those countries and by voluntary agencies; and to assist the new refugees either to emigrate abroad or to re-establish themselves in Europe. An over-all purpose is to establish such conditions of reception and care as to

<sup>1</sup> For text of the President's letter to the Congress authorizing this program, see BULLETIN of Apr. 14, 1952, p. 602.

<sup>2</sup> For articles by Mr. Warren on the Committee's work, see BULLETIN of Jan. 14, 1952, p. 50; Feb. 4, p. 169; Mar. 24, p. 458; Apr. 21, p. 638; July 21, p. 107.

keep alive, through various forms of assistance, the hope for a better life until self-sufficiency can be achieved under more normal living conditions.

### Organization

To accomplish these objectives, the staff of the Adviser on Refugees and Displaced Persons in the Bureau of U.N. Affairs of the Department of State has been augmented to provide policy guidance and direction. Small country units, composed of persons experienced in this field, have been attached to the U.S. Missions in Germany, Austria, Italy, Trieste, Greece, and Turkey. These country units will be directed in the field by a regional coordinating unit at Frankfurt attached to the U.S. Mission in Germany. The function of the coordinating unit will be to standardize policies and procedures in the field and to secure coordination of efforts with international organizations, such as the Migration Committee and the Office of the U.N. High Commissioner for Refugees, and with the interested voluntary agencies. It is the aim of the Escapee Program to achieve its objectives to the maximum extent through existing facilities and to keep its own staff and organization to that minimum required to supply policy guidance, examination and approval of projects of assistance, and the administrative services required for the proper control of the funds to be expended.

Even while the program was being organized, the most obvious and emergency needs were met. For instance, the refugees at Camp Lavrion in Greece were found to be living in unsanitary conditions and to need shoes and clothing badly. Action was authorized immediately to improve the living conditions of the camp and to secure the needed clothing. In Turkey, where the diet of hundreds of refugees was found to be seriously inadequate, action was taken to provide supplementary food and a balanced diet. In Germany, Austria, Italy, and Trieste, the assistance of voluntary agencies was solicited to determine the requirements for supplementary food and clothing, which are being supplied, and to exploit every possible opportunity for emigration. Services such as medical and dental care and vocational and language training, which will assist individual refugees to qualify for emigration opportunities, are already being provided.

One hundred and twenty-two refugees had been assisted to leave Europe by August 6, 1952. Others were booked for early passage, and it was anticipated that by the end of August, close to 700 refugees would be on their way to overseas countries. The number of departures will increase as processing procedures are improved, and the high degree of cooperation formerly developed between the IRO and the voluntary agencies is re-established in this new effort to improve the lot of refugees.

### Reduction of Quotas Causes Lull

An initial allocation of \$4,300,000 has been made to the program by the President under the Mutual Security Act. For various reasons, the chief countries of immigration have reduced the quotas of immigrants to be received during the remainder of 1952. The procedures involved in movements to the Latin American countries must be developed, and better facilities for reception and placement must be organized in these countries if the maximum flow of refugees out of Europe is to be achieved. The reduction in immigration opportunities means that the cost of supplementing existing arrangements for care and maintenance in Europe will be higher than originally anticipated because the refugees awaiting emigration will need care for longer periods of time. It is anticipated, however, that the lull in movements overseas will prove temporary and that the financial support which the program can provide for movements will operate to secure the emigration of larger numbers in 1953.

Apart from the modest achievements of the program to date, its significance lies rather in the rebuilding of hope among the refugees, particularly through evidence that they are not forgotten by a free world preoccupied by other concerns. They are no longer doomed to remain indefinitely in overcrowded camps where the will to exist is threatened by frustrations and skills acquired through industry and perseverance are lost through disuse. Equally important, ways and means are now provided to give practical and constructive expression to the good will and hospitality which the free world desires to extend to those whose faith in democratic ideals has induced them to flee from the Iron Curtain countries.

• *Mr. Warren, author of the above article, is Adviser on Refugees and Displaced Persons, Department of State.*

### U.S. Informed of American's Escape From Czech Prison

Press release 628 dated August 8

After repeated and sustained representations by the Embassy at Prague in behalf of John Hvasta, an American citizen imprisoned in Czechoslovakia, the Czechoslovak Ministry of Foreign Affairs informed our Embassy that Mr. Hvasta had escaped from prison on January 2, 1952, and that the Czechoslovak authorities do not know his present whereabouts.

Previously, a story appeared in a refugee publication in London stating that Mr. Hvasta had escaped on January 2, together with several other prisoners. Efforts were made to determine the

reliability of the report, but the Department was unable to establish its authenticity. The Department has no information which would confirm or contradict the accuracy of the statement of the Czechoslovak Government. However, this Government, which has actively pressed for the release of Mr. Hvasta since his arrest in October 1948, will continue its efforts to ascertain his whereabouts.

## Soviet Reply to Suspension of "Amerika"

Press release 618 dated August 5

*The Department of State on July 14 announced in a note to the U.S.S.R. that the Russian-language magazine Amerika would be forthwith suspended and directed the U.S.S.R. to suspend Soviet Embassy publications in the United States.<sup>1</sup> The Soviet Government in reply delivered a note on July 30 to the American Embassy at Moscow.*

*Following is the text of remarks concerning this Soviet response, made by Wilson Compton, Administrator of the Department's International Information Administration, together with an unofficial translation of the Soviet note:*

### TEXT OF MR. COMPTON'S REMARKS

The Soviet attempt to assert that our Russian-language magazine *Amerika* suffered loss of readership because its pages contained propaganda unfriendly to the Soviet Union is without any foundation since the U.S.S.R. precensored every story in the magazine.

*Pravda* and other official Soviet organs made more than 40 vitriolic attacks on the magazine in order to frighten away Soviet readers. American personnel stationed in the U.S.S.R. during this period reported that the magazine suddenly became unavailable outside of Moscow and that only a few kiosks (newsstands) in the city were allowed to continue sale of the magazine. These facts do not sustain the Soviet allegation that it permitted free and unfettered distribution of the magazine *Amerika*.

In contrast, the Federal Government has never placed any restrictions in the way of distribution of the U.S.S.R. *Information Bulletin* in the United States. All that ever happened was that some subscribers canceled their subscriptions.

If the Soviet Government is genuinely interested in a free flow of information between both countries, it would not have sabotaged *Amerika*, and it would not continue its notorious efforts to

jam the Voice of America. Nor would it ban virtually all foreign commercial magazines and newspapers.

### TEXT OF SOVIET NOTE

The Ministry of Foreign Affairs of the U.S.S.R., acknowledging receipt of the note of the Embassy of the U.S.A. of July 14, deems it necessary to state the following:

The Embassy of the U.S.A., conveying in its note the decision of the Government of the U.S. to stop publication of the magazine *Amerika*, and insisting on the discontinuation of publication and distribution by the U.S.S.R. Embassy in Washington of its U.S.S.R. *Information Bulletin* and also distribution of pamphlets published by the Soviet Government and its organs, attempts to justify this decision by alleging that the Soviet Government restricts distribution and free sale of the magazine *Amerika* in the Soviet Union. That statement of the Government of the U.S.A. however, is completely groundless and can mislead public opinion as to the real reasons for the discontinuation of publication of the magazine.

The Ministry of Foreign Affairs considers it necessary to recall that the magazine *Amerika*, beginning from 1945, that is, from the moment of its publication, has been distributed by means of free sale by the trade organization Soyuzpechat. That organization distributes all periodical publications in the Soviet Union, so that distribution of *Amerika* in the U.S.S.R. has been conducted on an equal basis with all publications.

If the number of copies of *Amerika* distributed in the U.S.S.R. has declined in the past, that was by no means because Soviet authorities took any kind of restrictive measures in respect to distribution of the magazine *Amerika*, as the Embassy of the U.S.A. attempts to assert in its note, but because during recent years the U.S.A. Embassy in the U.S.S.R. increased propaganda unfriendly to the Soviet Union in the pages of this magazine, which naturally could not but result in the magazine *Amerika* losing its demand on the part of Soviet readers.

Statements of the U.S.A. Embassy regarding some sort of obstacles or restrictive measures to the distribution of the magazine *Amerika* do not correspond to reality. The impression is created that such statements were needed as a pretext for preventing the Soviet Embassy in Washington from distributing the U.S.S.R. *Information Bulletin* and pamphlets published by the Embassy.

The Embassy's references to some sort of reciprocity in respect to publication by the U.S.S.R. Embassy of the U.S.S.R. *Information Bulletin* in the U.S.A. and distribution by the U.S.A. Embassy in the U.S.S.R. of *Amerika* also do not correspond to reality. Publication and distribution in the U.S.A. of the U.S.S.R. *Information Bulletin*

<sup>1</sup> For a background study on the Department's action, also text of the July 14 note, see BULLETIN of July 28, 1952, p. 127.

never depended on distribution in the U.S.S.R. of the magazine *Amerika*. In that connection it is necessary to note that the U.S.S.R. *Information Bulletin* began to be published in the U.S.A. in 1941, that is, long before the magazine *Amerika* began to be distributed in the U.S.S.R. The Embassy also has no basis for referring to any kind of privileges allegedly enjoyed by the *Information Bulletin* of the Soviet Embassy in Washington. It enjoys no privileges. On the contrary, as is well-known, to the Government of the U.S.A., the American press, and various members of the U.S.A. Congress for a long time have been conducting a campaign against the U.S.S.R. *Information Bulletin*, and American officials systematically hinder in every way the distribution of that bulletin on the territory of the U.S.A.

In view of the foregoing, the Ministry of Foreign Affairs cannot consider the decision of the U.S.A. Government to prevent the U.S.S.R. Embassy in Washington from publishing and distributing in the U.S.A. the U.S.S.R. *Information Bulletin*, and also pamphlets published by the Embassy, other than as a measure designed to prevent the dissemination in the U.S.A. of truthful information about the Soviet Union.

## Challenges Facing the World's Scientists

by *John D. Hickerson*  
*Assistant Secretary for U.N. Affairs*<sup>1</sup>

It is an honor to address this, the eighth General Assembly and the seventeenth International Congress of the International Geographical Union. It is a pleasure to welcome to America those of you who have come here from more than 50 other countries.

You are here to exchange scientific information of vital concern to all peoples and all nations. You are here to compare notes on the most recent developments in the field of geography. You are here in the interest of furthering your home country's scientific progress.

Each of these objectives is of high importance. But, to my way of thinking, your being here has an even deeper significance which is fundamental to all announced objectives.

Goethe, the great German poet and philosopher, expressed it very well more than a century ago when he said, "Science and art belong to the whole world, and before them vanish the barriers of nationality." I am sure that Goethe did not mean to imply that national sovereignty was a thing of the past. What he did mean is that science—an

honest, judicious science—is the servant of all peoples regardless of nationality.

The International Geographical Union has clearly demonstrated that it is doing its share to make true science the servant of all humanity.

As you will recall from the Chairman's introduction, my primary concern at present is with America's role in U.N. affairs. As one who has spent his adult life in the field of international affairs, I have always taken a hearty interest in efforts designed to make for better understanding among peoples and for a more stable world. I know that the modern science of geography can contribute much to that stability and progress which a future of peace and justice demands.

### The Importance of Geographic Studies

Think of the many ways in which you geographers can contribute to a better world. Think of the many ways in which you have contributed.

Take the problem of natural resources, and it is a problem. Only a few weeks ago, I was shocked to read a report on the extent to which my own country is facing a scarcity of many key strategic materials. America, the report stated, is using up its natural resources at a tremendous pace. America needs these resources. We need them not only to preserve our own economic stability. We need them to meet our obligations to our free-world neighbors.

You geographers concern yourselves regularly with natural resource studies, with research into land use and water use. These studies and research are the pathways to better conservation of resources as well as to new sources of supply.

We Americans will surely benefit from what your studies reveal. But even more important the world as a whole will benefit. Those who develop natural resources, those who transport them, and those who use them—all will benefit. And ours will be a richer world because of it.

Take the problem posed by the inadequate standard of living which plagues some two-thirds of the world's peoples. Disease, illiteracy, and hunger do not make for contentment. They do make for political instability. This is not difficult to understand.

You geographers are well aware of the threat posed by this problem. You are doing something about it. You are helping the United Nations—mankind's best hope for peace—to meet the problem.

Your concern with industrial development, with the relationship between geographic boundaries and ethnic movements, with demography—all of these are contributing to the means by which the less fortunate peoples are being helped to help themselves.

Take the question of defensive strength for the free world. Is not the geographer, through his study of land barriers, map-making, climatology,

<sup>1</sup> Excerpts from an address made before the International Geographical Union's Assembly and Congress at Washington on Aug. 8 and released to the press (No. 623) on the same date.

and coastal changes, collecting and systematizing information which has a definite bearing on military strategy and tactics?

Of course, he is. But the making of a contribution to material well-being is not in itself enough. Not nearly enough. Such would be the case whether we spoke of geographers or historians, physicists or political scientists, chemists or economists.

For it seems to me that the crucial challenge the scientist faces today lies in the spiritual and moral sphere. It seems to me that free man who would remain free must strengthen that sense of spiritual and moral responsibility without which the greatest of concrete achievements means very little.

I will not deny that there is such a thing as pure science. But the purest of sciences has little meaning in a vacuum. Science is generally measured by the amount of good it does.

### **The Scientist-Statesman Equation**

The scientist's responsibility in today's world is a tremendous one. This is a tense, troubled world, and the miracle of modern technology has made it a small world.

Perhaps the task before the diplomat might be easier if he were also a topflight scientist. This matter of moral responsibility might be less of a problem if there were more diplomats like Hans W. Ahlmann, the Swedish Ambassador to Norway, who, I understand, is scheduled to speak at your official banquet next Wednesday. But Ambassador Ahlmann, I fear, is an exception to the rule. By and large, one does not find the scientist and the diplomat rolled into one. That makes it imperative that the cooperation between scientist and diplomat be close if we are indeed to meet the moral responsibility of which I speak. The true scientist owes it to mankind to help the diplomat meet the problems we face in the political sphere. The diplomat owes it to mankind to help the scientist carry on his work in an atmosphere of freedom and encouragement.

If either party to this equation defaults, humanity is the loser.

The International Geographical Union made it clear at Lisbon in 1949 that it was not going to default. You made it clear when your sixteenth congress adopted a resolution pledging the Union to full cooperation with the United Nations and its specialized agencies.

In that resolution, you stated with unmistakable clarity your recognition of the relationship between your work and the objectives of the United Nations. You made plain your awareness of your moral responsibility for fostering peace and decency. You pointed up the fact that it was no longer feasible to seek to erect a barrier between the physical sciences and the social.

I was very much pleased when the United Nations, through UNESCO, accepted your coopera-

tion in the spirit in which it was offered. I was pleased to find the United Nations giving financial and other support to various of your projects.

This, to me, represented the scientist-statesman equation at its best. The scientist could and did join the statesman in furthering the cause of peace. Technological progress was geared to a genuine sense of social responsibility.

This relationship between the physical and political sciences is one in which free men can see great hope. We Americans are determined to do everything possible to nurture that hope. In playing host to this congress of the International Geographical Union, we hope and believe that we are serving the cause of international understanding as well as that of scientific progress.

That makes for pride. It also makes for humility. With a feeling of pride, I urge you to see, know, and understand America as she really is. With a feeling of humility, I say: We Americans recognize how directly our own progress and well-being are related to the scientific achievements of other nations, and we are ever ready to give others the understanding and the respect which we ourselves seek to merit.

### **Arrival of King Faisal II of Iraq**

Press release 625 dated August 7

King Faisal II of Iraq will arrive in New York City August 12, aboard the liner *Queen Mary*. King Faisal has accepted an invitation to visit the United States informally from August 12 until September 10, during which time he will meet the President and tour the United States from coast to coast. The 17-year-old heir to the throne of Iraq will be accompanied by his uncle, the Regent of Iraq, His Royal Highness Prince Abdul Ilah. Also among the royal party are Col. Mohammed Yahya, Col. Mohammed Jassam, Deputy Ahmed Ajil al-Yawar, and Qais Ali Rubiya.

The King and his party will visit New York, Washington, Detroit, and Chicago. From Chicago the party will travel farther west to Denver, Estes Park, San Francisco, and Los Angeles. On the return journey they will stop at the Imperial Valley, Las Vegas, Phoenix, Muscle Shoals, and Fort Knox, completing the visit on return to New York September 9. The King and his party will stay in New York for an additional week before their departure aboard the *Queen Elizabeth* on September 17.

The serious young King is interested particularly in the reclamation and irrigation projects of the American Southwest, as the problems there are repeated in the geographically similar country of Iraq. As Iraq's development expands from utilization of its new oil revenues, the Salt River

Valley of Arizona and the Imperial Valley of California will have their counterparts along the historic Tigris and Euphrates Rivers in Iraq. However, King Faisal will complete his American trip by attending a baseball game, seeing "South Pacific," and enjoying a Western chuck-wagon dinner.

The King will ascend the throne of Iraq on his 18th birthday, May 2, 1953. He finished his studies at Harrow School in England this July and will return to Iraq this fall.

## U.S., U.K. Agree To Resume Importation of Tin

Press release 605 dated July 31

*On January 18 the Governments of the United States and the United Kingdom reached an agreement on steel, aluminum, and tin.<sup>1</sup> Under that agreement the United States had an obligation to prevent private importation of tin during the period of the agreement unless consultation between the two Governments took place.*

*On July 24 notes were exchanged between the Department of State and the British Embassy which have the effect of releasing the Government of the United States from this obligation. This exchange of notes prepared the way for action by the National Production Authority and the Defense Materials Procurement Administration, announced by those agencies on August 1, to permit resumption of tin importation for private account. Following are the texts of Secretary Acheson's note, addressed to the British Ambassador, Sir Oliver Franks, and of Sir Christopher Steel's reply:*

### EXCELLENCY:

I have the honor to refer to conversations between representatives of our two Governments concerning the establishment of more normal arrangements for the conduct of the trade in tin, as envisaged in Section C paragraph 6 of the Agreement on Mutual Assistance in Raw Materials signed at Washington on January 18, 1952.

Since these conversations have disclosed that the Government of the United States of America intends in the near future to permit the private importation of tin to be resumed, and that the United Kingdom Government expects, by August 1, 1952, to have completed or virtually completed the purchase of tin for delivery to the Government

of the United States pursuant to Section C, paragraph 1 of the aforesaid Agreement, I have the honor to propose that, from the latter date the obligations contained in paragraph 4 of Section C of the aforesaid Agreement respecting the purchase or importation of tin shall no longer be binding upon the Government of the United States.

If the United Kingdom Government is in agreement with this proposal, I have the honor to suggest that Your Excellency's reply in that sense should, together with the present note, be regarded as constituting an agreement between our two Governments in this matter, effective upon the receipt of the reply note.

Accept [etc.].

DEAN ACHESON

BRITISH EMBASSY,  
Washington, D. C.  
24th July, 1952

SIR: I have the honour to acknowledge receipt of your note of 24 July, 1952, in the following terms:—

I have the honor to refer to conversations between representatives of our two Governments concerning the establishment of more normal arrangements for the conduct of the trade in tin, as envisaged in Section C, paragraph 6 of the Agreement on Mutual Assistance in Raw Materials signed at Washington on January 18, 1952.

Since these conversations have disclosed that the Government of the United States of America intends in the near future to permit the private importation of tin to be resumed, and that the United Kingdom Government expects, by August 1, 1952, to have completed or virtually completed the purchase of tin for delivery to the Government of the United States pursuant to Section C, paragraph 1 of the aforesaid Agreement, I have the honour to propose that from the latter date the obligations contained in paragraph 4 of Section C of the aforesaid Agreement respecting the purchase or importation of tin shall no longer be binding upon the Government of the United States.

If the United Kingdom Government is in agreement with this proposal, I have the honour to suggest that Your Excellency's reply in that sense should together with the present note, be regarded as constituting an agreement between our two Governments in this matter, effective upon the receipt of the reply note.

I have the honour to inform you that Her Majesty's Government are in agreement with the foregoing.

Please accept [etc.]

CHRISTOPHER STEEL  
Her Britannic Majesty's Minister.

<sup>1</sup> For text of communiqués on this agreement, issued by President Truman and Prime Minister Churchill on Jan. 9 and 18, see BULLETIN of Jan. 21, 1952, p. 83 and *ibid.*, Jan. 28, 1952, p. 115.



## **U.S., Venezuela Conclude Trade Agreement Discussions**

Press release 629 dated August 8

The Governments of the United States of America and Venezuela began formal negotiations for the revision of the Reciprocal Trade Agreement of 1939 on April 18 at Caracas. Following the initial phase of the negotiations, the talks were transferred to Washington, beginning July 16.

Formal discussions having now been concluded, the Venezuelan delegation, headed by Manuel Reyna, Director of Economic Policy in the Ministry of Foreign Affairs, will soon return to Caracas. The two Governments will now take under consideration the recommendations of the negotiators. It is expected, once final approval by the respective Governments is forthcoming, that the revised agreement will be signed at Caracas.

## **British Establish 12 Scholarships for American Students**

Press release 604 dated July 31

Foreign Secretary Anthony Eden announced on July 31 in the House of Commons that the British Government, in demonstration of its gratitude to the United States for the European Recovery Program, proposed to establish at British universities 12 scholarships to be competed for annually by American students. The scholarships are to be known as Marshall scholarships in honor of Gen. George C. Marshall, former Secretary of State and founder of the Marshall Plan.

The generous offer made by the British Government is received with sincere appreciation and gratitude by the Government of the United States. It is not only a splendid expression of British friendship for the United States but is also one more important step in the furtherance of mutual understanding between our two countries.

## **U.S., Mexico Revise Agreement on TV Channels**

Press release 598 dated July 30

The Department of State announced on July 30 that agreement had been reached with the Government of Mexico for modifications and additions to the previous agreement between the United States and Mexico for the assignment of frequency channels to television stations along the U.S.-Mexican border.

The modifications and additions were found to

be desirable in order to facilitate the operation of television stations in the two countries in the areas concerned. In particular, the amendments to the agreement call for increasing the effective radiated power of stations assigned channels 7, 8, 9, 10, 11, 12, and 13 from 200 kw to 325 kw, and include changes for television frequency channels assigned under tables A and B of the original agreement.<sup>1</sup>

For Mexico under table A, television channel 11 minus has been added for Chihuahua.

In the United States under table B, channel 3 minus has been added for Santa Barbara, Calif. Channel 9 plus has been added for Abilene, Tex. Channels 4 plus and 5 minus have been assigned for Harlingen and Weslaco in addition to Brownsville, with the provision that these channels may be used in any community within the triangle formed by Brownsville, Harlingen, and Weslaco. For Monahans, Tex., Channel 9 minus has been substituted for channel 5 minus. In New Mexico, channel 10 plus has been added for Silver City.

## **Earthquake Reconstruction Credit for Ecuador Approved**

The Export-Import Bank on August 5 announced approval of a credit of 165 thousand dollars to the Republic of Ecuador to assist in financing the reconstruction and enlargement of the water-supply system and for the construction of a sewer system for the town of Guano. Guano is a community of approximately 4,500 population located in the Province of Chimborazo, which is one of the areas of Ecuador devastated by the earthquake of August 5, 1949. The credit forms a part of the earthquake reconstruction commitment made by the Bank in December 1949.

The credit will be used exclusively for financing the purchase and transportation to Ecuador of U.S. materials, supplies, and equipment. Local costs will be borne jointly by the town of Guano and the Reconstruction Board of Chimborazo.

The U.S. Institute of Inter-American Affairs rendered technical assistance in the development of the plans for both the water and sewer systems for the town of Guano and has been requested by the Ecuadoran Government to assist in supervising construction. The plans call for 500 private connections and a system of fire hydrants. The present system has no private connections or secondary pipelines in the streets. It serves only a few public fountains.

The credit will be repayable in quarterly installments over a 20-year period. Interest will be paid at the rate of 3½ percent per annum.

<sup>1</sup>For a summary of the agreement announced on Oct. 26, 1951, see BULLETIN of Nov. 26, 1951, p. 865.

## U.S., Turkey Terminate 1939 Trade Agreement

Press release 619 dated August 5

*On July 18 the Department of State gave public notification of the termination of the 1939 trade agreement between the United States and Turkey as a result of that country's accession to the General Agreement on Tariffs and Trade.<sup>1</sup> Termination of this agreement was effected by an exchange of notes dated July 5 between the two Governments at Ankara.*

*The President signed a proclamation on July 18<sup>2</sup> terminating on August 4, 1952, two presidential proclamations, dated April 5, 1939, and November 30, 1939, which proclaimed the United States-Turkish trade agreement.*

*Following is the text of the note from George C. McGhee, U.S. Ambassador to Turkey, to the Turkish Foreign Minister, Fuad Koprulu, and the Turkish reply:*

### Text of U.S. Note of July 5

EXCELLENCY:

I have the honor to confirm that the Government of the United States of America and the Government of the Republic of Turkey, both being contracting parties to the General Agreement on Tariffs and Trade, have agreed to terminate the trade agreement between the United States of America and the Republic of Turkey signed at Ankara on April 1, 1939, with an accompanying exchange of notes, and as affected by the exchange of notes of April 14, 1944, and April 22, 1944.

The termination shall be effective on the thirtieth day following the date of this note.

I shall be glad if Your Excellency will confirm this understanding on behalf of your Government.

Please accept, Excellency, the renewed assurances of my highest consideration.

GEORGE C. MCGHEE

### Text of Turkish Reply

EXCELLENCY:

I have the honor to refer to your Your Excellency's note No. 14 of this date, which reads as follows:

[See text above]

I have the honor to inform you that my Government agrees to the foregoing.

Please Accept, Excellency, the renewed assurances of my highest consideration.

For the Minister of Foreign Affairs:

*The Assistant Secretary General*

A. HAYDAR GORK

<sup>1</sup> BULLETIN of Aug. 4, 1952, p. 179.

<sup>2</sup> *Ibid.*

## Danish Gift for Virgin Islands

Press release 615 dated August 4

In celebration of the 150th anniversary of the establishment of diplomatic relations between the United States and Denmark and as an expression of Danish friendship toward this country, the Government of Denmark on August 4 presented to the United States replicas of some of the original furnishings of the Banquet Hall at Government House, Christiansted, St. Croix, V.I. The gift, which consists of mirrors, chandeliers, bracket lamps, and taborets, was presented by Henrik de Kauffmann, Danish Ambassador to the United States, and was accepted for the United States by Morris F. de Castro, Governor of the Virgin Islands.

When the United States purchased the Virgin Islands from Denmark in 1917, the 18th century furniture of Government House was returned to Denmark. The furnishings which were presented on August 4 will be placed in the banquet hall in the same positions as their original counterparts.

## Current Legislation on Foreign Policy

Insurgency in Prisoner-of-War Camps in Korea and Communist-Inspired Disturbances of the Peace in Japan. H. Rept. 2131, 82d Cong., 2d sess. [To accompany H. Res. 664] 2 pp.

Report Pursuant to House Resolution 664. Letter from Acting Secretary, Department of State, Transmitting a Report Pursuant to House Resolution 664, 82d Cong. H. doc. 529, 82d Cong., 2d sess. 4 pp.

Mutual Security Appropriations for 1953. Hearings Before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 2d sess., part 2. Committee print. 25 pp.

Extension of the Rubber Act of 1948. Hearing Before a Subcommittee of the Committee on Armed Services, United States Senate, 82d Cong., 2d sess. on H. R. 6787—An Act To Extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), as Amended, and for Other Purposes. Committee print. 30 pp.

Puerto Rico Constitution. Hearing before the Committee on Interior and Insular Affairs, House of Representatives, 82d Cong., 2d sess. on H. J. Res. 430—A Joint Resolution Approving the Constitution of the Commonwealth of Puerto Rico, which was Adopted by the People of Puerto Rico on March 3, 1952. Serial No. 17. Committee print. 40 pp.

Defense Production Act, Progress Report No. 20. Aluminum Program by the Joint Committee on Defense Production, Congress of the United States, 82d Cong., 2d sess. S. Rept. 1987. 16 pp.

Suspension of Deportation of Certain Aliens. H. Rept. 2410, 82d Cong., 2d sess. [To accompany S. Con. Res. 81] 2 pp.

Concerning Certain Rights of Canal Zone Employees Under the Federal Employees' Compensation Act. H. Rept. 2425, 82d Cong., 2d sess. [To accompany S. 1271] 2 pp.

Supplemental Appropriation Bill, 1953. H. Rept. 2494, 82d Cong., 2d sess. [To accompany H. R. 8370] 11 pp.

Mutual Security Appropriations for 1953. Hearings Before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 2d sess. Committee print. 588 pp.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### U.S. Views on Self-Determination

*Statement by Isador Lubin*

*U.S. Representative in the U.N. Economic and Social Council<sup>1</sup>*

With the opening of this discussion, the Economic and Social Council is setting foot upon unfamiliar territory. The problem of promoting self-government is one which was entrusted under the U.N. Charter primarily to other bodies of the United Nations. Therefore, when we move into this field of activity we must do so, in the opinion of my delegation, with a good deal of caution lest in our inexperience we make a misstep which would harm the peoples we want to help.

The object of the United Nations in this field is to find the best ways by which all of us, working together, can assist other peoples to achieve the political maturity which will enable them to govern themselves. We will do well if we keep that objective foremost in our minds for each of us knows that where questions of national independence are discussed emotions are very near the surface.

These are the times to remember the words of the Charter, in article 2 where it first speaks of self-determination, that our fundamental goal is "To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples. . . ."

In approaching the resolutions before us, I think each delegation here, and the world at large, knows that the United States brings to this Council a long history of consistent action designed to bring about the steady development of self-government. Our own national story is that

of a struggle for independence. I think the delegate of the Philippines will agree with me that the close friendship that exists between his Government and mine is a result of a long association in the valiant efforts of the Philippine people to achieve their political aspirations. This association included the bitter conflict against a common enemy and an equally bitter conflict against the disasters brought by that battle. Only last week the people of Puerto Rico celebrated their new Constitution under which, as a commonwealth, they take over the full job of governing themselves.

It is almost needless to assert, therefore, that the United States supports—has supported in the past and will continue to support—the principle of self-determination, in deed as well as in word.

#### **The Dynamic Trend Toward Self-Government**

I do not intend to imply, however, that we are by any means alone in this respect among metropolitan powers having within their spheres people who have not yet attained full self-government. The trend I speak of is a dynamic trend in all parts of the world. It is a trend which represents one of the great movements of this mid-century—a movement toward self-government which will not be denied; indeed, a movement in which all of us in the United Nations are participating and assisting.

Under the Charter of the United Nations, territories being administered by other countries are enjoying an ever-larger degree of self-government. Each of the eight administering countries has accepted the obligations of the Charter relating to the territories which they administer. Each of these countries is promoting the political, eco-

<sup>1</sup> Made on July 31 before Ecosoc, which had before it Resolution A (Plebiscites) and Resolution B (Political Information from Non-Self-Governing Territories) of the Human Rights Commission (see *Report of the Eighth Session of Commission on Human Rights*, U.N. doc. E/2256, p. 64); released to the press by the U.S. Mission to the U.N. on the same date.

nomie, and social advancement of the territories under its administration.

The rate of progress, naturally, will vary. It depends on the obstacles the people must overcome—obstacles of climate and terrain and geographic location; the presence or absence of natural resources; the amount of assistance that can be provided from outside sources; the spirit and the interest of the people themselves in grappling with these problems. But in each case there is progress, and the peoples of these non-self-governing territories are assuming an increasingly greater degree of responsibility in taking care of their own affairs.

The policy of the United States is to assist, through the United Nations and otherwise, in making this progress move rapidly, yet surely.

Now let me turn to Resolution A, the first of the two resolutions listed under the heading "recommendations concerning international respect for the self-determination of peoples." The United States wants to vote in favor of this resolution because we believe its broad objective is to encourage metropolitan countries to improve the ways by which they ascertain the wishes of non-self-governing peoples as to their political future. That, we feel, is worthwhile. We find, however, that some provisions of it do not meet the basic criteria we have set for ourselves in the Charter—the object of promoting friendship while seeking progress toward self-government. I refer chiefly to the first two preambular paragraphs which speak of "the slavery of peoples."

Slavery is a strong word. It is perhaps the strongest word in the English language to denote the subjection of one human being to the power of another. We have in progress in this Council an investigation of the entire subject of slavery. We have another investigation of "forced labor," and in this instance, in spite of overwhelming evidence of the most flagrant use of this form of labor in certain countries, this Council did not use the word slavery. There is no basis for using it here.

Its use in this resolution distorts the picture of non-self-governing peoples beyond any resemblance to reality. Such language, used in a U.N. resolution, would be insulting to the people and the administrators alike in areas where undeniable progress is being made in political development. Moreover, it is inflammatory language, ill-suited to a temperate, reasonable discussion of the self-determination of peoples. We feel that the resolution expresses our intentions adequately without those two paragraphs and we therefore suggest their deletion.

Our second suggestion is in relation to the second operative paragraph dealing with plebiscites. The United States feels that the paragraph unduly restricts the methods by which the wishes of non-self-governing people might be ascertained in the future by placing virtually sole reliance upon

the U.N. supervised plebiscite. The adoption of the U.N. Charter does not require all nations to conduct *all* their foreign affairs through the United Nations; other means of international dealings have distinct advantage. Similarly, in the dealings between an administering country and the non-self-governing people, these people themselves may desire direct methods of contact which may not always be associated with the United Nations.

For example, the United States recently arranged to determine the wishes of the people of Puerto Rico, Alaska, and Hawaii, without a U.N. plebiscite. It is sometimes feasible and desirable to consult the legislative body representative of the people of a territory. Or the action of the people at the polls, in one of their own elections, may be a useful criterion of the wishes of the people. The amendment of the United States in this respect is, therefore, designed to provide greater flexibility.

In addition, my delegation proposes the addition of the phrase "in conformity with the provisions of the United Nations Charter" after the word "administration" in this second operative paragraph. This addition would have two advantages. First, it would specify that the recognition and promotion of the realization of the right of self-determination shall be in accordance with the high principles of the Charter; and second, it would bring the language of this resolution into closer conformity with the language of the article on self-determination in the draft Covenants on Human Rights.

The change proposed by my delegation in the latter part of this paragraph is designed to meet several points.

#### **Developmental Stages of Self-government**

The members of the United Nations have undertaken to develop self-government in the territories under their administration. The Charter specifies that this will be done by taking into consideration the particular circumstances of each territory and its peoples and their varying stages of advancement. It is recognized, therefore, that the development of self-government, while an urgent problem, is a continuing process and must be accomplished progressively.

Now, I would like to explain briefly the position of my delegation with regard to Resolution B on self-determination which is concerned with the transmission of political information on non-self-governing territories.

The question of the transmission to the United Nations of political information by states responsible for the administration of non-self-governing territories has had a long history in the United Nations. The responsibility of states to transmit information with regard to non-self-governing territories derives from article 73 (e) of the Charter. In article 73 (e) information relating

to economic, social, and educational conditions are specified, whereas reference to political information is omitted. The history of this provision leaves no doubt that the omission of political information was deliberate. The question was carefully examined and fully discussed at San Francisco and eventually, all factors having been taken into consideration, the existing language of article 73 (c) was approved for insertion in the Charter and accepted by all signatories.

My Government has voluntarily transmitted political information on the governmental institutions of its territories and will continue to do so in the future. We have been pleased to note that other administering countries have from time to time voluntarily submitted such information. However, we feel it unwise for efforts to be made to place this matter on a basis of "recommendations" to the authorities concerned. As I have said, the transmission of political information was not set out as an obligation under the Charter. We have accordingly opposed resolutions which would recommend the transmission of political information.

Two other considerations are also of significance in our view. The first is that whereas the problem of self-determination is a universal one—one of significance for all states and not only states administering non-self-governing territories—this resolution singles out only those states which have responsibilities in regard to non-self-governing territories. The second consideration is the related point that for matters relating to the colonial field, the General Assembly has established a special body to deal with these problems regularly. This organization is the Assembly's Committee on Information from non-self-governing territories. My delegation feels that it is open to some objection to consider problems in relation to non-self-governing territories on a piecemeal basis and without reference to the bodies specially created for that area of the work of the United Nations.

Inasmuch as other delegations have entered into a discussion of the substance of Resolutions A and B on self-determination, we have taken this occasion to set forth briefly our own views. We have pointed out that, while my Government has supported and will continue to support the principle of self-determination, it has serious reservations as to these two resolutions.

Nevertheless, we are prepared not to press for a decision on their substance, and in particular on our amendments to Resolution A, at the present time, and to vote for the Polish proposal to transmit these two resolutions to the General Assembly,

provided that the Cuban amendment is adopted. Adoption of this amendment would make it unmistakably clear that this action was purely procedural and that the Council was not taking a position one way or the other on the substance of the two resolutions.

If the Cuban amendment is not adopted, my delegation would feel obliged to vote against the Polish resolution.

If the Polish resolution, as amended by Cuba, is adopted, as we hope it will be, this will mean that the discussion of the substance of these two resolutions will be shifted from this Council to the General Assembly, where my delegation will take occasion to set forth its position in appropriate detail.

## **U.S. Delegation to International Conference**

### **Sixth Grassland Congress**

The Department of State on August 7 announced that the U. S. delegation to the sixth International Grassland Congress, to be held at the Pennsylvania State College, State College, Pa., August 17-23, is as follows:<sup>1</sup>

#### *Delegates*

- Philip V. Cardon, director, Graduate School, and research administrator emeritus, Department of Agriculture, Chairman
- William A. Minor, assistant to the Secretary, Department of Agriculture, Vice Chairman
- Mason H. Campbell, dean of agriculture and director of the agricultural experiment station, U. of R. I.
- Wilbur G. Carlson, A. O. Smith Corp., Milwaukee
- Leroy E. Hoffman, associate director of agricultural extension, Purdue U.
- Malcolm H. Jones, head, resources development section, Food, Agriculture and Resources Development Staff, Technical Cooperation Administration, Department of State
- Arthur S. King, chief, fertilizer, seeds, and pesticides branch, Food and Agriculture Division, Mutual Security Agency
- Gerald M. Kerr, chief, Division of Range Management, Bureau of Land Management, Department of the Interior

### **The U.S. in the UN.**

a weekly feature, does not appear in this issue.

<sup>1</sup>For background information on the congress, see BULLETIN of Feb. 25, 1952, p. 309, and *ibid.*, Aug. 11, 1952, p. 239.

# Report of U.N. Command Operations in Korea

## FORTY-FIFTH REPORT: FOR THE PERIOD MAY 1-15, 1952<sup>1</sup>

U.N. doc. S/2715  
Transmitted July 21, 1952

I herewith submit report number 45 of the United Nations Command Operations in Korea for the period 1-15 May 1952, inclusive. United Nations Command communiqués numbers 1251-1265 provide detailed accounts of these operations.

As stated in United Nations Command report number forty-four, Executive Plenary Sessions were resumed on 28 April. The United Nations Command Delegation had proposed executive sessions in the hope that both sides could approach the remaining problems in the light of logic rather than in an atmosphere of tension created by Communist propaganda. By 7 May it was clear that no progress was being made. Consequently both sides agreed to resume open plenary sessions on 8 May.

The United Nations Command's fair and reasonable proposal of 28 April, if accepted by the Communist side, would have resulted in the rapid consummation of the armistice agreement. Because of the importance of this United Nations Command proposal it is hereafter quoted in full:

"For more than nine months our two delegations have been negotiating for an armistice which will bring a cessation to hostilities in Korea. We have progressed to the point where only three issues remain between us and final agreement on an armistice. These three issues concern, first, whether there will or will not be restrictions on the rehabilitation and construction of military airfields; second, the basis of exchange of Prisoners of War; and third, the nations to compose the Neutral Nations Supervisory Commission.

"As for the first issue, for many weeks the United Nations Command Delegation has stated that in order to maintain the stability of the armistice and prevent the creation of tension that might lead to a resumption of hostilities it is highly desirable that restrictions be placed on the rehabilitation and construction of military airfields. Your side has opposed this limitation on what would be a manifest increase of offensive potentiality upon the ground that it would constitute interference by one side in the internal affairs of the other. Yet, if your

<sup>1</sup>Transmitted to the Security Council by the acting representative of the U.S. to the U.N. on July 21. Texts of the 30th, 31st, and 32d reports appear in the BULLETIN of Feb. 18, 1952, p. 266; the 33d report, *ibid.*, Mar. 10, 1952, p. 395; the 34th report, *ibid.*, Mar. 17, 1952, p. 430; the 35th report, *ibid.*, Mar. 31, 1952, p. 512; the 36th and 37th reports, *ibid.*, Apr. 14, 1952, p. 594; the 38th report, *ibid.*, May 5, 1952, p. 715; the 39th report, *ibid.*, May 19, 1952, p. 788; the 40th report, *ibid.*, June 23, 1952, p. 908; the 41st report, *ibid.*, June 30, 1952, p. 1038; the 42d report, *ibid.*, July 21, 1952, p. 114; the 43d report, *ibid.*, Aug. 4, 1952, p. 194; and the 44th report, *ibid.*, Aug. 11, 1952, p. 231.

side is moving in good faith toward an armistice, you should have no hesitation in agreeing not to build up your military air potential.

"As for the second issue I have referred to, for many weeks the United Nations Command Delegation has stated that all Prisoners of War must be released but that only those should be repatriated or turned over to the other side who can be delivered without the application of force. Your side has opposed this principle and has, instead, insisted that certain Prisoners of War must be repatriated even if physical force is necessary, asserting that to accord respect to the feelings of the individual prisoner is unprecedented and deprives a Prisoner of War of his rights. Your current attitude on this question is inconsistent with the historical facts that during the Korean War your side has followed the practice of inducting captured personnel into your armed forces, and that you have in this and other ways disposed of approximately four-fifths of the military personnel of our side who fell into your custody.

"The United Nations Command holds as Prisoners of War 116,000 North Koreans and Chinese People's Volunteers; 59,000, or more than fifty percent of this number held by our side, will return to your side without being forced. In addition, some 11,000 citizens of the Republic of Korea, now in our custody, have elected to go to your side under the principle of free choice. This is in marked contrast to the 12,000 captured personnel of our side whom you have stated you will repatriate, a figure which is less than twenty percent of those you have admitted having taken into your custody.

"The foregoing figures are now a basic factor in the Prisoner of War question. It was with the full concurrence of your side that the Prisoners of War in our custody were screened to determine their attitude as regards repatriation. Once screened, Prisoners of War had to be segregated in accordance with their individual determination. No action can now be taken by either side to alter materially this situation. It is an accomplished fact. For you to pretend otherwise would be completely unrealistic.

"Moreover, our side has indicated our willingness to send to your side any Prisoners of War who may change their views on repatriation between the time of the initial determination and the completion of the exchange of Prisoners of War. We have also informed you that, if you wish, you may verify the results of our screening processes after the armistice is signed. Your side can at that time interview those persons held by the United Nations Command who have indicated that they would violently oppose being returned to your side. If any indicate that they are not still so opposed, the United Nations Command will return them promptly to your side.

"Lastly, in regard to the third issue, although both sides agreed to nominate mutually acceptable nations to

compose the Neutral Nations Supervisory Commission you have continued to insist on membership for a nation which the United Nations Command will not accept.

"The issues are clearly drawn. The discussions of the past several months have clearly defined the differences on the issues, but such discussions have failed to develop any common meeting ground for resolving these differences. Within the limit of these discussions each side has indicated that its position is firm and unshakable. We believe that because of the strong views already set forth by both sides in the respective meetings, we will only prolong the stalemate on each of the three differences if we attempt to discuss them further or to settle them separately. Therefore, we believe it absolutely essential that the three remaining issues be settled together. It is evident that if both sides remain adamant in their present position on the three issues, these negotiations will be deadlocked indefinitely. If an armistice agreement is to result from our efforts here, if we are to bring about the long-awaited cessation of hostilities in Korea, if we are to build the bridge which is to lead to a solution of the Korean problem, the three issues must be resolved at the earliest practicable date. There are two ways to accomplish this objective: either one side could concede on all issues, or each side could concede to the position taken by the other side on some of the remaining issues. The only alternative to the foregoing is for these delegations to admit that they have failed to accomplish their mission.

"I state categorically that the United Nations Command will not accede to your demands on all matters at issue. I assume that you would make a similar statement on behalf of your delegation. It is clear, then, that unless you are willing to accept the entire responsibility for the failure of these negotiations, you must join us in seeking a compromise solution which both sides may accept in the interest of reaching an early agreement on an armistice.

"The United Nations Command has carefully reviewed the positions taken by both sides on the three issues. It remains our conviction that the stability of an armistice would be increased by restricting rehabilitation and construction of military airfields. We are fully aware that you consider that any such restriction constitutes interference in your internal affairs. We utterly disagree with your contention in this regard, since this is a military armistice, designed to freeze the military situation in *status quo* pending a final peaceful settlement. However, in the interest of reaching an early armistice agreement, we are willing to accede to your stand that no restriction be placed on the rehabilitation and construction of airfields.

"I must make it absolutely clear, however, that our acceptance of your position regarding airfields is contingent upon your acceptance of our positions regarding Prisoners of War and the composition of the Neutral Nations Supervisory Commission. As you know, our position regarding Prisoners of War is the exchange of 12,100 Prisoners of War of our side for approximately 70,000 of your side. You also know that our position regarding the Neutral Nations Supervisory Commission is that this Commission shall be composed of representatives from the four neutral nations which are acceptable to both sides.

"The United Nations Command Delegation submits a draft wording for the entire armistice agreement. This draft wording incorporates all the agreements hitherto reached on agenda items 2, 3, 4, and 5. It omits any restriction on the rehabilitation and construction of military airfields. It provides a specific agreement on the nations composing the Neutral Nations Supervisory Commission. Lastly, it provides a practical and realistic basis for the exchange of Prisoners of War.

"We formally propose that this draft armistice wording be approved in toto by our delegations and that the liaison officers be directed to prepare the formal armistice agreement documents for signature by our respective commands. Our liaison officers will be prepared to discuss

details concerning minor changes in wording and necessary administrative matters.

"The United Nations Command has now made its final offer in an effort to reach an armistice. The United Nations Command Delegation desires to make it unmistakably clear to you that we will not agree to any substantive change in this proposal, and that we are absolutely firm that this proposal must be considered as a whole. The fate of this armistice conference, and future peace in Korea, now rest fully and exclusively with you."

It will be noted that the United Nations Command concession concerning restriction on the building of airfields is a substantive matter of the first magnitude since it directly and substantially affects the military situation subsequent to an armistice. On the other hand, the United Nations Command proposal calling for the Communist side to withdraw the Soviet Union as a member of the Neutral Nations Supervisory Commission does not in fact call for a concession since it was agreed by both sides in the first place that nations so nominated must be acceptable to both sides.

Meetings subsequent to the United Nations Command 28 April proposal have been characterized by Communist tirades unequalled in their distortion of truth and in their ambiguity, insincerity and insulting language. In fact, their tedious flagrant propaganda would be ridiculous if the issues were not so vital to world peace and the well being of all people.

In contrast to the attitude and actions of the Communist side, the United Nations Command has patiently but firmly maintained its irrevocable position. Typical of the statements made by the Senior United Nations Command Delegation is the one hereafter quoted from the Plenary Session of 11 May:

"We have been meeting here daily at your request since the second of May. In nine consecutive meetings, nothing has been accomplished. No progress has been made simply because your side is not yet willing to face acceptance of the inherent rights of the individual.

"The longer your side delays acceptance of the United Nations Command compromise proposal of April 28, the more the world is convinced that you will not face the truth. Your side even fears the results of a joint, open verification of the screening of Prisoners of War. Your fear of this rescreening process can stem from only one consideration: your side knows it cannot face up to truthful results of such rescreening, even when verified by your own representatives. Therefore, you are guilty of delaying these negotiations because you dare not face the facts. Let me say once again, the equitable compromise proposal of the United Nations Command is firm, final and irrevocable. We shall not recede from it. Any delay in reaching agreement is due entirely to the refusal of your side to recognize this fact. We shall not vary or recede from this position."

Since June 1951, the Communist Prisoners of War, instigated by their fanatical senior officers, have been trying to wrest control of the Prisoner of War and civilian internee compounds from the United Nations Command authorities and hinder the proper administration of these compounds. Without reference of their purported grievances to the International Committee of the Red Cross, the internationally recognized supervisory body for matters of this nature, the Prisoners of War have taken matters into their own hands. The Prisoners of War have completely ignored the articles of the Geneva Convention which govern the care, treatment and behavior of Prisoners of War and civilian internees. The United Nations Command has at all times endeavored to comply fully with these articles in administering the several camps and compounds in Korea.

The Prisoners of War culminated a long series of incidents, disorders and demonstrations against the United Nations Command on 7 May 1952 by forcibly seizing Brigadier General Francis T. Dodd, the United Nations Command Commander of Koje-Do. It is considered that

this action was taken primarily to offset the announcement by the United Nations Command that all but approximately 70,000 of the 132,000 Prisoners of War would forcibly resist return to Communist control. The Communist Prisoner of War leaders issued a set of preposterous demands which specified the conditions under which Brigadier General Dodd would be released shortly after his seizure. To avoid the bloodshed and needless killing of Prisoners of War which could have resulted from the employment of force to secure the release of Brigadier General Dodd, Brigadier General Colson, the Acting Commander of Koje-Do, acquiesced to the Communist Prisoners of War's demands. Brigadier General Colson, without proper authority, issued a ransom note which has been deliberately misconstrued by the Communists as admitting the guilt of the United Nations Command to certain Communist allegations of abuse and mistreatment when no such guilt existed. It was only after the receipt of this note, obtained illegally through duress involving the physical threat to the life of Brigadier General Dodd, that the Communist Prisoners of War released their hostage. Commander-in-Chief, United Nations Command, immediately refuted the contents of the ransom note and pointed out to the world at large the unprecedented and illegal methods used to obtain the note. This incident demonstrates forcibly the extremes to which the Communists will go in an effort to achieve their ends.

A full investigation of the violent and treacherous kidnapping of Brigadier General Dodd from the time of his capture to his ultimate release, as well as several of other incidents and disorders, is under way at the present time. The results of the investigation will be released as they become available.

On 12 May, a three-day orientation conference was convened in Pusan, Korea, for the Red Cross representatives of the National Societies who are to serve on the Joint Red Cross teams if, and when, an armistice is obtained. The orientation arranged by the United Nations Command included a discussion of the procedures to be followed by the representatives to insure the successful accomplishment of their mission. It went into such details as the care, feeding, and relief of the prisoners, with particular emphasis on the medical aspect. Sufficient medical doctors are included among the designated representatives to insure proper medical care of the Prisoners of War. It was generally agreed by the representatives present that the benefits accruing from this orientation would insure that the Joint Red Cross representatives from the national Red Cross societies of countries represented within the United Nations Command are ready to perform their mission on short notice in an efficient manner.

General Mark W. Clark, United States Army, succeeded General Matthew B. Ridgway, United States Army, as Commander-in-Chief of the United Nations Command. The change of command took place on 12 May 1952.

Enemy action along the United Nations Command front was minor in nature with hostile units directing their effort towards turning back United Nations Command patrolling and probing forces. Two aggressive enemy attacks were launched in the Kigong Sector on the western front. These actions, the largest reported by United Nations Command units during this period, were both one-company attacks and were repulsed. In addition to the company attacks in this sector, numerous squad and platoon strength probes were attempted by the enemy, all of which were repulsed. A United Nations Command company-size tank-infantry patrol maintained contact with an enemy battalion south of Punji for eleven hours on 9 May. The United Nations Command forces inflicted heavy casualties on the enemy, damaged trenches and other defensive installations and forced one enemy platoon to withdraw.

Along the central and eastern front, the enemy employed squads or platoons to launch scattered exploratory attacks against United Nations Command forward positions, usually during the hours of darkness. United Na-

tions Command elements along the entire front continued to protect their main battle positions by constant and effective patrols and ambushes.

Hostile units continued to expend liberal amounts of artillery and mortar fire. Although numerous tanks were sighted in enemy forward positions, from Punji eastward to Tuchon, none participated in the battle action during the period. Enemy front lines and capabilities remained unchanged. On the central front the relief of a Communist Army by one that was in reserve was considered a routine operation.

United Nations Command fast carriers operating in the Sea of Japan launched attacks against North Korean transportation facilities and supply routes. The jet and propeller driven aircraft concentrated their attacks on the vulnerable rail lines along the Korean East Coast where rail lines were cut and bridges, by-passes, locomotives and rail cars were destroyed or damaged. Additional destruction and damage were inflicted on buildings housing military supplies and personnel, boats, trucks, and numerous supplies, barracks, gun positions, and mine equipment.

United Nations Command carriers continued operating in the Yellow Sea. Their planes provided cover and air support for the surface units on blockade patrols and anti-invasion stations. They also flew reconnaissance missions and offensive strikes as far north as Yongyu, and into the Chinnampo area, the Hwanghae Province, and in close support of the front line troops. Buildings of military value received the brunt of the attacks, with additional destruction and damage inflicted on supplies, bunkers, warehouses, box cars, vehicles and supply routes.

United Nations Command naval aircraft based ashore in Korea flew interdiction and close support missions. These planes made rail cuts and inflicted many casualties. In addition they destroyed bunkers, trucks, mortar positions, gun and artillery positions, troop shelters, and numerous supplies, bridges, anti-aircraft weapons and rail equipment.

Patrol planes based in Japan and Okinawa conducted daylight reconnaissance missions over the Sea of Japan and the Yellow Sea. They also flew day and night anti-submarine patrols and weather reconnaissance missions for surface units in the Japan and Yellow Seas. One aircraft on reconnaissance in the Yellow Sea was attacked by two MIG-15 type aircraft which made five firing passes. Only minor material damage was suffered by the patrol aircraft as a result of this attack.

The naval blockade continued along the Korean East Coast from the bomblines to Chongjin with surface units making day and night coastal patrols firing on key rail targets along the coastal MSR daily to maintain rail cuts, and blocked tunnels at these several specific points. The siege by surface units continued at the major ports of Wonsan, Hungnam, and Songjin, subjecting the enemy forces in these ports to virtually continuous fire. The Communists were denied the use of coastal waters for shipping and fishing, as all attempts to go to sea were taken under fire and broken up. Fire support vessels at the bomblines provided gunfire on call for the front line troops. Many military buildings, bunkers, guns and gun positions, box cars, locomotives and numerous vehicles were destroyed or damaged by the bombardment along the East Coast. The MSR was cut in several places and many casualties were inflicted.

Shore batteries continued active along the coast, with increasing frequency and accuracy. One United Nations Command vessel firing on rail yards in the Songjin area was taken under fire by an estimated ten-gun battery of seventy-five millimeter guns and larger. She received eight counter hits and many near misses. Two crew members were killed and seven injured. In the Wonsan area a destroyer received one hit in an hour long duel with shore batteries. In this case there were no casualties, and material damage was light.

In the areas just north of Hungnam, a destroyer and two minesweepers launched their motor whale boats



which made close inshore anti-boat patrols and succeeded in capturing 104 prisoners and many boats. In many cases the motor whale boats also searched out enemy targets of opportunity and furnished support for the firing ship, to materially aid in the effectiveness of the interdiction of the coastal MSR. One motor whale boat raiding party discovered large nets at Singhang-Ni, with the dual purpose of harbor closure and fishing. They sank 130 floats, cut all the shore connections and anchors and sank the 6,600 foot net. It is estimated that salvage is virtually impossible.

On the Korean West Coast, the United Nations Command surface units manned anti-invasion stations along the coast from Chimmampo to the Han River Estuary, in support of the friendly islands north of the battle line. Daylight firing into enemy positions started many fires and secondary explosions, destroyed military buildings and inflicted 150 casualties. A United Nations Command vessel supported a guerrilla raid on an enemy position in the Haeju approaches. Friendly raiders overran a company position, killed the company commander and captured documents and twelve prisoners.

PT boats of the Republic of Korea Navy made an attack with forty millimeter guns and rockets on the Haeju Port. They fired on troops and a rubber factory. Smoke obscured most of the results, but a twelve story brick building was observed to collapse. Other vessels of the Republic of Korea Navy conducted close inshore patrols and blockade along both coasts and assisted United Nations Command forces in minesweeping duties.

The United Nations Command minesweepers continued operations to keep the channels, gunfire support areas and anchorages free of mines of all types. Sweepers also enlarged areas as needed by the operating forces.

Naval auxiliary vessels, Military Sea Transportation Service and merchant vessels under contract provided personnel lifts and logistic support for the United Nations Command Air, Naval and Ground Forces in Japan and Korea.

Aircraft of the United Nations Command Air Force carried out their threefold mission in Korea with the interceptors maintaining air superiority while the light bombers and fighter bombers attacked rail and highway transportation targets and flew missions in close support of the United Nations Command ground units. The medium bombers continued to destroy key railroad bridges in furtherance of the interdiction program.

Enemy MIG-15's were sighted on thirteen days and were engaged on eleven days. Of the 252 airborne MIGs observed by United Nations Command pilots, nineteen were destroyed, four probably destroyed and eight damaged. The United Nations Command lost three aircraft during these engagements.

United Nations Command interceptors kept the northwestern part of Korea so well patrolled and protected that conventional fighter bombers were able to strike rail targets almost on the Manchurian Border without being attacked by the enemy aircraft.

The Sinanju-Sinuiju and Kunuri-Kanggye rail lines have been considered as the most important in North Korea. Well-timed attacks by United Nations Command fighter bomber, light bomber and medium bomber aircraft kept these routes unserviceable a majority of the time. Reports continued to show the effectiveness of concentrated strikes by large numbers of fighter bombers on short stretches of track. In addition to the numerous cuts inflicted in the rails, these attacks tore out extensive sections of the roadbed. The cumulative effect was to create a much more difficult repair problem than that which resulted from scattered rail cuts.

United Nations Command fighter bombers flew in support of the United Nations Command ground units, destroying or damaging many gun positions and bunkers and inflicting numerous casualties.

A special fighter bomber mission was conducted against a large supply installation near Suan-Myon after intelligence reports and reconnaissance of the area revealed a

concentration of supplies and vehicles in the area. The large scale attacks resulted in extensive destruction of the installation. Aircraft on night intruder missions in the area report fires and explosions long after the fighter bombers completed their mission.

Light bombers continued to conduct night armed reconnaissance of the main supply routes in North Korea and made regular attacks on the rail lines at points where the fighter bombers had made cuts during daylight. This created additional damage and interfered with the enemy's repair operations.

Medium bombers attacked rail bridges on the two principal routes used by the enemy and on enemy airfields to maintain them in an unserviceable condition as well as dropping leaflets and flying in support of the front line positions.

Aerial reconnaissance was conducted to determine the status of bridges, airfields, rail lines and supply installations in enemy territory.

United Nations Command leaflets and broadcasts have explained in complete detail the United Nations Command overall proposal for settlement of the remaining armistice issues. Communist evasion of all efforts to reach an early agreement have been reported to Chinese and North Korean troops and civilians to show how enemy leaders have consistently and unscrupulously prevented the restoration of peace and conspired to prolong the agony of the Korean People. Particular emphasis was given to the firm refusal of the United Nations Command to force Communist Prisoners of War to return to face slaughter or slavery at Communist hands. United Nations Command media vigorously exposed the desperate Communist efforts to hide the truth by their callous rejection of International Committee of the Red Cross and World Health Organization offers to inspect areas of alleged disease outbreaks and by their craven refusal to join in verifying prisoner opposition to forced repatriation.

An indication of the effectiveness of the United Nations Command immunization and sanitation program in South Korea is strikingly illustrated by figures compiled from available reports on the incidence of communicable disease as shown below:

	Jan 1- Apr. 31, 1951	Jan. 1- Apr. 15, 1952
Smallpox -----	26, 000	576
Typhoid -----	48, 000	1, 847
Typhus -----	23, 500	543

Since the start of the immunization program in 1950 a total of 23,369,648 smallpox vaccinations and 22,906,848 typhus immunizations have been given. These figures include duplication during the second smallpox program and typhus "booster" shots.

It is to be noted that no cholera or plague has appeared in South Korea to date. Special emphasis is being given presently to the cholera program in friendly areas adjacent to the battle line.

With respect to housing, the advent of warmer weather has removed deterrents and steady progress is being made in the building and rehabilitation program.

## THE DEPARTMENT

### Appointment of Officers

Roy Richard Rubottom, Jr., as Director of the Office of Middle American Affairs, Bureau of Inter-American Affairs.

Jack Davis Neal as Deputy Director of the Office of Middle American Affairs.

William Belton as Officer in Charge of Mexican Affairs, Bureau of Inter-American Affairs.

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No.	Date	Subject
*612	8/4	Irish newsman selected for award
*613	8/4	American to lecture in Liberia
*614	8/4	American specialists go to Germany
615	8/4	Danes present gift to U.S.
616	8/4	Acheson: ANZUS opening session
*617	8/4	Consultation on geography
618	8/5	Soviet note on <i>Amerika</i> suspension
619	8/5	U.S., Turkey end 1939 trade agreement
†620	8/7	Fso assignments (rewrite)
*621	8/6	Diplomatic immunity of chauffeur
622	8/7	U.S. del., Grassland Congress
623	8/7	Hickerson: Geographic developments
624	8/7	Communiqué on ANZUS
625	8/7	Visit to U.S. of King Faisal II
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627	8/8	German debt communiqué, attachments
628	8/8	Hvasta's escape from Czech prison
629	8/8	Revision of Venezuelan trade agmt.

†Held for a later issue of the BULLETIN.

\*Not printed.

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\* 9353.11730

*The Department of State*

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## A Definition of Democracy for Undecided People

by Francis H. Russell

Director, Office of Public Affairs<sup>1</sup>

You have asked me to speak to you on some current problems of our American foreign policy.

I know that I do not need to point out to you the salient fact of our time, that something precious has come into serious danger.

This brings us immediately to one of the problems I would like to discuss with you.

We are finding it more and more essential these days to define what it is that is in jeopardy. Our first reaction may be that of St. Augustine when he was asked to define "time." "When nobody asks me," he said, "I know." But each of us is having to determine for himself as a practical matter to what extent the sacrifice that is being exacted in Korea is worthwhile; at what point high taxes become "too high."

We are having to sharpen our definition of democracy, also, because hundreds of thousands of American citizens are coming face to face with people from outside our borders who want to know just how we, the leaders of the free world, visualize the present world struggle. This year over a third of a million American tourists are going abroad. Last year well over half a million people from abroad came here. Many of these people in other countries are involved in this struggle even more immediately and more desperately than we are, and they are interested in where we draw the line on what is vital and what is not vital.

The problem is coming up daily in a hundred different ways. An American was traveling in the Far East a short while ago. He met a leader of one of the islands of Indonesia who, in the course of the conversation, said to him:

My people are being showered with propaganda by the Communists, being told that communism alone has the answers to the problems of this part of the world. How can I best explain your democracy to my people? How can I tell them what the free way of life offers for them?

<sup>1</sup>Excerpts from an address made before the Richmond Rotary Club, Richmond, Va., on Aug. 12 and released to the press (No. 637) on the same date.

Anyone who buys bonds or has friends fighting in Korea has a stake in seeing that the best possible answer is given to that question; for it is rising not only among Indonesians, but day after day in the minds of the one-third of the world's population who are as yet uncommitted in the present struggle and whose decision may well turn the balance one way or the other.

How do we answer it?

We can lay down certain tests that should govern us. In the first place our answer must accurately reflect the principles and objectives that guide our national life. Secondly, it should indicate at what points they come into conflict with the principles of communism. Thirdly, our answer should show whether, and how, the principles by which we live have any validity, any practical application, or are of any interest to other peoples of the world.

Various possible answers come quickly to mind.

We could stress our high economic level, our standard of living. But if this is the thing that distinguishes us, these uncommitted people, who for the most part live in desperate poverty, will feel that they have little in common with us. And the agents of the Kremlin capitalize upon this by saying that the Communists have come from, and therefore can best represent, the down-trodden elements of the world's populations.

We might talk about our capitalist free enterprise system. But any definition of democracy that excludes democracies whose economies differ in varying degrees from ours, such as Britain, Sweden, France, or Australia, is going to raise more questions than it settles.

We might tell these people about our pattern of government. How it is premised upon a wide dissemination of powers, responsibilities, and functions. How we maintain a separation, as far as possible, between our political, economic, and religious organizations. How we separate the executive, legislative, and judicial functions of

our Government. How we even divide up our executive powers, from the President to the village dog catcher, not permitting any to encroach upon the others' fields. But will that really interest those Indonesian villagers?

We could extol freedom to them, but if you offer a starving man his choice between the four freedoms and a sandwich, he is likely to take the sandwich and let the freedoms go for a while.

All of these concepts are vital to our way of life, but none of them really hits the particular nail in front of us squarely on the head.

Well, what is the answer?

Perhaps Lincoln started us on the right track in this search with his "government of the people, by the people, for the people." The American people, by claspng that phrase to their hearts and echoing it countless millions of times, have made it their ideological standard. And that, we can tell our Indonesian friends, means, for the Indonesian people, "government of the Indonesian people, by the Indonesian people, for the Indonesian people"; and not, as the people of Eastern Europe and other parts of the world have found out, "government of the people, by the Kremlin, for the purposes of the Kremlin."

Well, that gives us a start. It sets the objective. It brings us together with all those who say human life, human happiness, as we put it in our Declaration of Independence, is the ultimate value. It rules out those who say man is made for the party and for the state.

But how do we carry out that objective?

A son of Virginia gave us a great deal of help on this question when he addressed himself, in an essay, to the question of "The Nature of American Democracy." Here (if I may shorten and paraphrase it slightly) is what Woodrow Wilson said:

The forces of democracy reside not in doctrines of revolutionary writers but in educational forces which elevate the masses to a plane of understanding and of orderly intelligent purpose.

Liberty is not something that can be created by a document. It is an organic principle of life.

Democratic institutions are like living tissue, always a-making.

It is a strenuous thing, living the life of a free people; and success depends upon training, not upon clever invention.

Such a government is a form of conduct, and its only stable foundation is character.

The people who successfully maintain such a government must have self-reliance, self-knowledge, and self-control, soberness and deliberateness of judgment, vigilance of thought and quickness of insight, purged alike of hasty barbaric passions and of patient servility to rulers.

Dictatorships may be made; democracies must grow.

So the essence of our democracy is that it is a growing, living, developing thing, built on the gradual, painstaking accumulation of mankind's experience and wisdom in the things that separate him from the lower animals.

## Communist Rejection of Accumulated Wisdom

The Communists throw this accumulated wisdom out the window and pretend to offer the quick, the easy way: a dictatorship. But experience has amply shown that that way leads through quicksand and winds up in disaster.

The Communists started out by uprooting the institution of marriage; by turning children away from their parents toward the party; by abolishing the individual's right to own property, and the idea of pay as a reward for service; by eliminating sports as a part of the fun and recreation of life and by using them solely to strengthen the military power of the state; by converting drama, literature, and art from their time-honored roles into instruments for the aggrandizement of the party.

They have in some cases already, in a single generation, come face to face with the realities and laws of human nature, and have had to revise the rules of their society in a reluctant and partial compliance with these realities. For example, they have been forced to change some of their laws governing the family. They now give pay on the basis of reward for service and in fact have now gone to the other extreme; the present discrepancy between the pay of their workers and that of their managers, greater than in capitalist countries, has created a rigidly stratified society. They recently found it expedient to inaugurate a state program of sports and to send a team to the Olympic games at Helsinki.

Frequently in such cases they make no real change. They just go through the motions. For instance, in their revised constitution of 1936 they felt it expedient to make a genuflection toward freedom of speech and freedom of the press. But on careful reading you find that these freedoms exist only insofar as they "strengthen the socialist system."

In any event the Soviet position has been clearly set forth by Vyshinsky: "In our state, naturally there is and can be no place for freedom of speech, press and so on for the foes of socialism." Stalin made it doubly plain: "We have never pledged ourselves to grant freedom of the press to all classes, to make all classes happy." Deviationism is the cardinal sin and it is grievously punished.

Whereas, of course, real freedom of speech, as Justice Holmes said, includes "freedom for the thought we hate" as well as for that we agree with. Freedom only to say what is "right" according to what someone in power at the moment says is "right" is the opposite of freedom. It is intellectual tyranny and it lowers the curtain on man's further progress. Jefferson branded "as cowardly the idea that the human mind is incapable of further advances. To preserve the freedom of the human mind and freedom of the press" he said, "every spirit should be ready to devote itself to martyrdom; for as long as we may think

as we will, and speak as we think, the condition of man will proceed in improvement."

In most respects the Soviets are still battling as ferociously as ever against the advancing stream of civilization. Their effort to abolish the spiritual element in life continues unabated. "Dialectical materialism," they say "is incompatible with religion. If a Communist goes to church, believing in God, he fails to fulfill his duties."

Incidentally, the people of Asia know something about this spiritual area of life and will understand what we are talking about, for the great religions of the world all arose on Asiatic soil.

Stalin proclaims that in communism he has a "science" of human society which makes possible the engineering of the course of history. But he falls flat at the first step because he cannot, in his scheme, produce the kind of human beings that, as Wilson pointed out, are indispensable to a good society, a workable society. He has ruled out "the things of the spirit." And while our religious institutions, our educators, our industrial experts, our psychologists, anthropologists, and other scientists, working hand in hand, have been busy building up a treasure house of knowledge about human beings, their wants, desires, hopes, and needs, and while we have been creating a society that will increasingly meet them, the Communists have made it crystal clear that that is not even their goal and have destroyed the institutions that provide the necessary human ingredients of a good society.

### **Communist "Cement-Mixer" Approach**

There are two ways of building a better human society just as there are basically two ways of making a better radio. One way of constructing a better radio is to find out all that has been accomplished up to the present time in radio building, what has worked and what has not, and go forward from there. That, Wilson told us, is the way to go about achieving a society of individuals possessed of the inward happiness which the signers of the Declaration of Independence had in mind.

The second way to make a radio is to say that existing radio science is evil, and to put a wheelbarrow, a waffle iron, and a copy of Karl Marx into a cement mixer, turn on the power and then make a decree that what comes out is the latest thing in radio sets. That is the Communist way: building society solely on "the doctrines of revolutionary writers," as Wilson put it. It is the "cement-mixer" approach.

You can hear the Communist "cement mixer" grinding away every time the Communists take part in an international conference and try to disrupt it, as they did at the Red Cross Conference at Toronto last month.

We have no objection to individuals holding such a "cement-mixer" type of philosophy and

operating their own affairs on that basis if they want to; what we do object to is the present effort of the men in the Kremlin to force the entire civilized world into the Communist "cement-mixer."

So the question, in essence, that faces the undecided people of the world is whether they wish to get into the stream of life, the vast cooperative effort, that has acquired this store of knowledge and experience about government by and for the people; knowledge of how society can best create the conditions that make for the greatest inward happiness of its people—or whether they prefer the doctrinaire, "cement-mixer" type of society with its inevitable end-products of conflict, slave labor, enforced mass migrations, prison camps, and, as in China recently, executions running into the millions.

It is to the preservation of the democratic approach to society, as I said, that our foreign policy is devoted. And that, in turn, has created the problem of definition I have been discussing.

There are other problems.

### **Real and False Problems of Foreign Policy**

Perhaps the first task of anyone interested in foreign policy is to discover what the real problems are. Some people never get around to discussing the real problems because they waste their time on false, unrealistic, or nonexistent questions.

For instance, there have been some voices raised recently saying we should turn our back on the United Nations, or weaken our ties with it, or scale way down our contributions to it. There have also been efforts to undermine our relations with our NATO partners. In fact, a much discussed resolution was introduced in the Senate this year calling for measures that would cripple this country in all its foreign relations.

The search for an alternative policy, by the more logical of these people, has resulted in some editorializing such as this: "The task of America at this moment must be to erect a bastion of civilization in the Western Hemisphere;" and has resulted in a most eminent American agreeing: "The foundation of our national policies must be to preserve this Western Hemisphere Gibraltar."

Now superficially an effort to crawl under a hemispheric shell, as these neo-isolationists would do, makes a certain amount of sense. It ought to be easier to cope with the problems of half a sphere than with those of a whole sphere. Lord knows there are enough problems in the one sixty-fifth of the world sphere that comprises the United States; or even in the one five-thousandth that constitutes Virginia! Why look for trouble?

But these people are bold! They are willing to take on an entire half sphere!

But immediately they run into a problem. Take a globe of the earth and fit over it a paper cap that just covers half the globe, a paper hemisphere. You can place that hemisphere cap so that it

covers everything north of the equator. Or you can place it in such a way that it covers North and South America plus the Pacific and Atlantic Oceans, the so-called Western Hemisphere. Or you can place it so it covers, not only all of North America and the northern part of South America, but also in the same hemisphere all of Europe, all of Asia, and all of Africa. This might be called the North America-Eurasia-African hemisphere.

In fact if you move this hemisphere cap around long enough, having it always cover all of continental United States, you find you have at one time or another covered all of the earth's surface except a patch of Indian Ocean wasteland having a population of a few dozen people and no natural resources. The people in that patch of wasteland are the only people in the world not in "our hemisphere." Everybody else in the world *is* in "our hemisphere"—everybody.

"Well, maybe so," some people may say, "but let's pick out one hemisphere and concentrate on that."

All right, but which one? The hemisphere with 95 percent of the free world's population, 98 percent of the free world's oil, 99 percent of its steel, and 92 percent of the free world's industrial production; or should we base our hopes on the "Western Hemisphere" with only one-fifth of the present free world's people in it? Should we extend the hand of partnership in the hemisphere with practically all of the free world's strategic air bases, the strategic radio stations, the industrially trained populations, the people with an ancient and treasured tradition in the ways of democracy? Or only in the hemisphere approximately 83 percent of whose surface consists of watery wastes and such marine life as exists in them.

Or should we base our policies on a combination of hemispheres as we do at present?

You may say I have been engaged in beating a dead horse. Hopefully, I have perhaps. But it is not a completely dead horse because, as I say, there still are those who are attacking the United Nations and are trying to isolate the United States from the rest of the free world.

But in any event let us, finally, take a look at a live horse. Here is a real problem. What do we do about this?

In the current industrial age the United States uses each year two and a half billion tons of materials of all kinds.

Breaking that down to the individual, each of us uses, on an average, 18 tons. This 18 tons includes about 14,800 pounds of fuel for heat and energy—warming houses and offices, running automobiles and diesel engines, firing factory boilers; about 10,000 pounds of building materials—lumber, stone, sand, gravel; plus 800 pounds of metals winnowed from 5,000 pounds of ores. Each of us eats nearly 1,600 pounds of food. This together with cotton and other fibers for clothing,

pulpwood for paper, and miscellaneous products amounts to 5,700 pounds of agricultural products per individual.

These are the materials it takes to meet our needs and wants. With less than 10 percent of the free world's population and 8 percent of its land area, we consume close to half its materials.

This country does not have all these materials. The U.S. Bureau of Mines recently published a chart of the 38 minerals essential to industrial production. Of the total, the United States is self-sufficient in only nine. We go all over the free world to find the others.

Some of these materials we never had. Nature just did not bestow them upon us. Others—copper, lead, and zinc—we had in the past but have consumed at such a rate that our original store is depleted.

It may come with something of a shock but we, the United States, are today a "have not" nation in many of the materials upon which our way of life is based. This would be a sobering situation even in times of peace. In today's emergency it presents a serious problem.

Fortunately for us, and for the world, the United States together with the other free nations does have the materials necessary for our common strength. What one lacks the other has. But it is a question of sharing and of maintaining our unity.

So the first objective of the foreign policy of the United States today is that our enemies shall not divide the free world community. We are determined that its potential strength shall be built to its maximum reality.

I said "potential" strength because in many areas material wealth is still in the ground. It is there, but before it is ready for use, certain preliminary steps must be taken. We are working with the nations and peoples involved to hasten those steps. Manganese in Brazil, for instance, should be available in a few years. Some of it is already coming to our shores. But not enough. Not if we are to continue to keep steel, for both defense and peacetime use, rolling from our mills. We need to continue our supplies of manganese from India.

### **The Unrealistic Attitude of Economic Chauvinism**

In the present world situation, indeed, an *increased* flow of imports into the United States is absolutely essential if we are to build our strength to a point where our enemies must relinquish all hope of realizing their world ambitions and permit the building of a free world.

This question of the togetherness of the free peoples has other angles which must give us all concern.

In the last several months there has been a growing uneasiness abroad about the direction in which our international trade policy is moving. The



situation these people see is this. Our foreign aid has been reduced. Our private foreign investments are but a trickle in relation to the need. The flow of dollars, in other words, from the United States to the other free nations has been seriously reduced.

These peoples, however, need our dollars. They can—and they do—earn some of them by selling us their *raw materials*. They cannot, however, earn enough exclusively through these sales to pay for the goods and materials they must have from us and which we want to sell to them.

They *can* earn them, however, by selling us their *goods*. They *want* to make these sales. But certain segments of American business unfortunately have resumed the old fight to keep out foreign goods.

The impact of this abroad is dangerous, not only economically but psychologically. We have urged increased production upon these people as a way out of their economic and social difficulties. We have talked increased production as a weapon in the fight to preserve freedom.

It doesn't make sense to them for us to talk in this fashion and then, when it comes to cooperative action on our part, to drag our feet. Or, worse, to throw barriers in their path.

This has not been a unified attack, the attack in this country against a workable foreign economic policy. It has consisted largely of a long list of minor actions, legislative amendments, and the like.

Let me be specific. There is, for one thing, the "cheese amendment" to the Defense Production Act. We have tried to get that dropped—but unsuccessfully.

We had hoped to ease the flow of goods from friendly countries by legislation simplifying customs procedures. The bill died in the Senate.

There was a campaign to kill the International Materials Conference. It was unsuccessful, but it has been harmful to us abroad for others to see the Conference hampered and attacked by Americans.

There can be no more unrealistic attitude today on the part of any American than economic chauvinism. It needs very little research to reveal the desperate need on our part of many materials important to defense. These materials are in short supply throughout the free world. If the defense program is to be a success—and it must be—they must be used as efficiently as possible. A shipment of cobalt for example, at the right time and at the right place, might make all the difference in the world in the jet aircraft available in Korea.

The Tariff Commission has been beset by applications for "protection" for this and that industry. Investigation frequently discloses that this protection is entirely unnecessary. But the fact that the request was made confirms our friends abroad in

their suspicion that America is not willing to do its part in this world-wide emergency.

From their point of view, the ultimate irony is our outspoken criticism of any trade with Communist countries after they have found they cannot trade with us. The Communists made the most of this situation in their recent trade conference in Moscow. That conference was a phony. But we Americans—some of us—lent it reality by our actions.

These questions we have been discussing are first of all, of course, questions of patriotism, but more than that, of common sense, for all of us are involved in this struggle. If the free nations should not achieve their goal—strength—no American, no matter how foolhardy, could contemplate the future with equanimity. The Soviets are not following a quartersphere or hemisphere policy nor are they concerned primarily with marine life.

You will have noticed, as we have been going along in this discussion, that we have been talking about foreign policy in three widely different areas: the ideological, the geopolitical, and the economic, to give fancy names to the simple and the obvious.

And I hope it struck you that whichever path you take you come out at the same point: that today's threat to civilization is a threat to all men; but that with strength and with enlightened self-interest, there is no limit to the future of the cause we serve—the continuing progress of men who "live strenuously the life of free peoples."

## U.S. Sends Third Note to Soviets on Austrian State Treaty

*The United States on August 11 through the American Embassy at Moscow delivered to the Soviet Ministry of Foreign Affairs a third note on the subject of an Austrian state treaty. The British and French Embassies at Moscow transmitted similar notes. Following is the text of an explanatory press conference statement by Secretary Acheson together with the text of the U.S. note:*

### Press Conference Statement by Secretary Acheson

Press release 635 dated August 12

We have sent another note to the Soviet Ministry of Foreign Affairs reminding them that they have not replied to our previous notes of March 13 and May 9 concerning the Austrian state treaty.<sup>1</sup>

<sup>1</sup>For texts of these notes, see BULLETIN of Mar. 24, 1952, p. 448 and *ibid.*, May 19, 1952, p. 778.

You will recall that the note of March 13 proposed an abbreviated treaty upon which we hoped Soviet agreement would be more readily obtained than on the old draft treaty.

The note of May 9 reminded the Soviets that we had received no reply. The note, which was delivered in Moscow on Monday of this week, again reminds them of the absence of any reply and expresses our hope that this silence does not indicate a renunciation by the Soviet Government of the commitment it made by signing the Moscow declaration of November 1, 1943.

The British and French representatives in Moscow delivered similar notes on all the occasions I have mentioned.

### **U.S. Note of August 11**

Press release 638 dated August 12

The Government of the United States of America refers to its note of March 13, 1952, which contained proposals designed to permit the immediate resumption of negotiations with a view to the final fulfillment of the promise made to Austria as long ago as 1943, that her freedom and independence would be restored.

In a further note of May 9, 1952, the Government of the United States of America drew the attention of the Soviet Government to the fact that an immediate and just settlement of the Austrian problem would eliminate one cause of constant tension in Europe.

Having so far received no reply to these two notes, the Government of the United States of America, in the hope that this silence is not to be interpreted as a renunciation by the Soviet Government of the commitment which it undertook by signing the Moscow Declaration of November 1, 1943, once more urges the Soviet Government to make known its views on the proposals for a settlement of the Austrian problem contained in the note of March 13, 1952.

### **Soviets Reject Abbreviated Treaty for Austria**

Press release 645 dated August 15

The Soviet Government, replying after 5 months and two reminders to the United States, United Kingdom, and French notes, has rejected an abbreviated treaty for Austria proposed on March 13, 1952, after 258 meetings at which unsuccessful attempts were made to secure Four Power agreement to the Austrian draft treaty. The full text of the Soviet note has not been received as yet in Washington. However, the preliminary information received indicates that what the Soviets actually propose is yet another review of the entire Austrian treaty question based upon a return to the punitive spirit of 1945.

The Soviet Government, according to the summary of its note received from the U.S. Embassy in Moscow, is awaiting word from the Three Western Powers of their readiness to conclude the treaty on which work has been proceeding since 1946.

The Three Western Powers have always been ready to conclude an Austrian treaty based on the principles set forth in the Moscow Declaration of November 1, 1943. Inasmuch as the Soviet representatives failed to appear at a Four Power meeting called in London in January 1952 to continue negotiations on the full treaty, the mystery of over 18 months of Soviet failure to negotiate remains unclarified. The last full meeting of the treaty deputies took place in December 1950 at London.

As soon as the full text of the Soviet reply has been received and studied, it will be released.

### **Secretary Reviews Results of 1st ANZUS Council Meeting**

*Press conference statement by Secretary Acheson*

Press release 634 dated August 12

I had a very successful meeting with the Australian and New Zealand Foreign Ministers at Kaneohe Bay in Hawaii. We met to organize the ANZUS Council created under the security treaty between our three Governments. I believe the work of the Council will lead to even closer relationships with our two good friends "down under."

The Council will meet annually, while our deputies will meet as often as necessary here in Washington to provide for continuing consultation and to provide a focus where existing channels and agencies may be utilized in the implementation of the treaty. I have designated Under Secretary David K. Bruce as the U.S. deputy, and Australia and New Zealand have designated their Ambassadors here to serve in the same capacity. The Council will have the advice of appropriate military officers, and Admiral Arthur W. Radford, Commander-in-Chief, Pacific and Pacific Fleet, will serve as U.S. military representative. He will meet at Pearl Harbor soon with his opposite numbers to work out the details of the military machinery.

The Council reaffirmed the need for collective security in the Pacific area but concluded that it was premature at this early stage in its formation to attempt to widen its relationships with other states or regional organizations.

During the meeting we also took the opportunity for a full and frank exchange of views on the world situation with particular emphasis on the Pacific.

I want to point out again as our communiqué emphasized at the end of the meeting<sup>1</sup> that we neither reached any decisions nor undertook any commitments regarding matters of direct concern to our friends in the Pacific or elsewhere.

As you know, the United States has a mutual-defense treaty with our sister Republic, the Philippines. In addition, under our treaty with Japan, we have American forces stationed in that country.

These treaties are all part of our continuing efforts to strengthen the peace and security of the Pacific. The United States has a deep and continuing interest in the peace and security of all the free nations of the Pacific area. We hope to continue to work with them as they may desire to work with each other and with us to the end that all of the nations of the Pacific may live in freedom.

## Secretary Acheson Comments on Hvasta Case

Press release 636 dated August 12

*Secretary Acheson at his news conference on August 12 made the following contemporaneous reply when asked whether there was anything to add to the story of John Hvasta's escape from a Czechoslovak jail:*

I think you know all the facts that we know.<sup>2</sup> I think this points up again the outrageous consequences that flow from the refusal of Czechoslovakia and other satellite countries to perform their treaty duties, which is to allow our consuls to see our citizens who are in custody. They have refused us permission to see this man. Now they tell us he escaped last January. Maybe he did and maybe he did not. We have no information that confirms or contradicts that. But if we had been accorded the right which every civilized country accords to other countries to visit their people who are in custody, we would know about this. Now we just have to rely on people who are not too reliable.

## Letter of Credence

*Bolivia*

The newly appointed Ambassador of Bolivia, Victor Andrade, presented his credentials to the President on August 11, 1952. For the text of the Ambassador's remarks and the text of the President's reply, see Department of State press release 630 of August 11.

<sup>1</sup> BULLETIN of Aug. 18, 1952, p. 244.

<sup>2</sup> For a previous statement regarding Mr. Hvasta, see BULLETIN of Aug. 18, 1952, p. 262.

## Inauguration of European Coal and Steel Community

*Statement by Secretary Acheson*

Press release 632 dated August 11

The inauguration yesterday in Luxembourg of the European Coal and Steel Community by its High Authority was an important event in the history of Europe. On this occasion the peoples of six European nations began to exercise a part of their sovereignty through a common supranational authority. Henceforth, Belgium, France, the Federal Republic of Germany, Italy, Luxembourg, and the Netherlands, will, in accordance with the treaty ratified by their national Parliaments, pursue common objectives in all coal and steel matters through the common institutions of the Community.

It is the intention of the United States to give the Coal and Steel Community the strong support that its importance to the political and economic unification of Europe warrants. As appropriate under the treaty, the United States will now deal with the Community on coal and steel matters.

The six nation Coal and Steel Community represents the first major step toward unification in Europe. I am confident that in the near future we will see these nations take additional strides in this direction—ratification of the treaty instituting the European Defense Community and action to develop a supranational European political authority.

All Americans will join me in welcoming this new institution and in expressing the expectation that it will develop as its founders intended; and that it will realize the hopes that so many have placed in it.

## Final Report of Anglo-American Council on Productivity

The Anglo-American Council on Productivity on August 10 released its final report on what it terms "an entirely new form of international public relations and adult education."

Under the auspices of the Anglo-American Council—a nongovernmental organization representing labor and business interests on both sides of the Atlantic—911 British industrialists, technicians, and workers in the past 4 years have visited nearly 2,000 American plants and other places of business in search of the means of reaching greater productivity in the industries of the United Kingdom.

The Council was conceived in 1948 by Sir Stafford Cripps, then British Chancellor of the Exchequer, and Paul Hoffman, Administrator of the

Economic Cooperation Administration (ECA). Divided into U.S. and U.K. sections, the Council was headed up on the U.S. side by Philip D. Reed of General Electric Company and Victor Reuther of the CIO, and on the U.K. side by such British leaders as Sir Greville Maginess (past president of the British Employers' Confederation), Lincoln Evans (General Secretary of the Iron and Steel Trades Confederation—a union), and Sir Archibald Forbes (President of the Federation of British Industries).

Financed through ECA (and later Mutual Security Agency (MSA)) funds, plus grants from the United Kingdom's sterling Marshall Plan counterpart fund and contributions from British industries, the Anglo-American Council's program of dispatching specialized teams to the United States for intensified studies of the U.S. industrial scene proved a pattern upon which the system of team studies for all Marshall Plan countries could be based.

Most of the 66 study teams which came to the United States under Anglo-American Council sponsorship have now published the reports on what they observed in those visits and how they believe the United Kingdom can benefit by them. As evidence of the popularity of these reports the Council cites the more than half a million copies which have been printed and distributed to date. Demand for most of the reports continues.

The reports, the Council states, "have been the means of stimulating firms to re-examine all the factors which improve productivity and efficiency—from the methods of training, organization, and control to the important function of packaging."

The influence of the reports has not been confined to the United Kingdom, the Council noted. "Other Western European countries, notably France and Germany, have shown the greatest interest in the findings and have published translations of the reports. At least one has been translated into Japanese. Many extracts and summaries have appeared in the foreign technical press. The reports have also been read with wide interest in the United States."

While the Anglo-American Council formally went out of existence on June 30 of this year (it was set up to operate only during the original life-span of the Marshall Plan) much of the work will be continued. A British Productivity Council is being formed with industrial and labor backing, and arrangements have been made for a book to be published which will include the chief factors affecting productivity. The U.S. section also has under consideration the formation of a group to foster continuance of interchanging productivity knowledge.

In its final report on its own activities, the Council stated:

We believe that one of the most important benefits of

the Council's work lies in the improvement of the climate of opinion about productivity. The teams which wrote the reports found a different attitude of mind in the U.S. from that prevailing in many quarters of the U.K. Nine hundred and eleven individuals comprising 66 teams have experienced this for themselves. Each of these men and women has both industrial and social contacts. Through these contacts they are spreading over widening circles a new attitude to the importance of increasing productivity.

As a result, also, of the considerable attention paid to the program by the British Press (more than 12,000 press clippings received in the London office) and by the British Broadcasting Company, "there is now an increased public awareness of productivity" in Britain, the Council report notes. The report states further that:

The program of team visits has made a valuable contribution to increasing international understanding. Thousands of American and British people have had the experience of meeting, understanding more clearly each others' problems and way of life, and reporting their own personal observations and conclusions to their neighbors and fellow-workers. The Council believes that this experience in international, industrial and human relations will result in tangible and intangible benefits for years to come.

The Council reported that while no facts were available upon which to record statistically the effect of the program upon British production per man hour, official figures show that "between the years 1948 and 1951 industrial productivity in the United Kingdom increased substantially."

Examples cited of this increase include the U.K. Steel Founding industry, whose Productivity Team's visit to the United States "has had marked effect." An increase of 15 percent in over-all productivity in the industry is estimated while "in some foundries there have been increases of as much as 30 percent."

The specialized team on the subject of materials handling has made a report which has proved "one of the 'best sellers' of the series" and nearly every team report has had a section on this subject. More important even than the interest raised in more and better materials handling equipment, the Council feels, "has been the closer attention now given throughout (British) industry to the fundamental problems of handling materials and to layout."

"The results that have accrued are often quite remarkable in individual companies," the Council states. "By changes in layout and improvement in handling, some companies have reported increases in output ranging up to 30 percent without any additional labor force."

The entire program carried out under Anglo-American Council sponsorship to date is estimated to have cost \$2,364,500 at current rates of exchange. Of this the dollar costs, \$1,467,500, were provided by ECA and MSA. Of the total of 320,400 pounds (equivalent to \$897,000) provided by the U.K. section, the equivalent of \$453,000 was in the form of grants by the British Government from the counterpart funds acquired as a

result of Marshall Plan aid. British industrial and union organizations and U.K. industries sending teams to the United States made direct contributions of the balance.

The costs to U.K. industries are in addition to money spent on continuing the salaries and wages of team members during their absence and additional funds supplied team members in many cases to supplement allowances from ECA/Msa while in America.

The American cost figures on the other hand, the Council noted, "take no account of the contributions in time made by representatives of American industry and labor unions in showing the team members techniques and methods of procedure, and the hospitality which nearly all the firms and labor unions provided."

Expressing the confidence of the Council that the "many man hours and much money" devoted to this joint effort has been justified, the Council report states:

Only through increasing productivity can we maintain and expand the benefits of our way of life. Our philosophy about its attainment may differ in some respects. Yet we all agree upon the essential importance of the task. Our objective must be to raise the standards of living not only of our own peoples but of the other nations of the world as well. This can be achieved by higher productivity, the benefits of which will be shared by the consumers in lower prices, by the workers in increased remuneration, and by the shareholders in a greater reward for risks successfully taken.

## **MSA Concludes Guaranty Agreement With Yugoslavia**

Under an agreement announced on August 18 by the United States and Yugoslavia, the Mutual Security Agency (Msa) is now ready to offer currency convertibility guaranties covering new private American credits for Yugoslav investment projects.

The agreement between the two Governments, concluded in an exchange of notes, makes Yugoslavia the 15th country in which convertibility guaranties are available from Msa.

This means that an American businessman or firm financing an investment in Yugoslavia may obtain from Msa a contract insuring the creditor that local currency repayments of such credits can be converted into dollars.

It should be noted that investments involving ownership of industrial enterprises are not possible in Yugoslavia under that country's nationalization laws.

However, Yugoslav authorities have indicated that private investments in Yugoslavia could take other forms, such as providing machinery or equipment, services, techniques or processes to Yugoslav enterprises with payment either in the form of goods produced by such enterprises or in dinars, the Yugoslav currency.

If the payments were in dinars, the Yugoslav Government would undertake to convert the funds into dollars. Msa would guarantee this conversion in case unforeseen circumstances should prevent the currency exchange.

There is further the possibility of making some use of Msa's authority to provide guaranty protection against expropriatory actions of foreign governments with respect to American investment credits. Msa is prepared to discuss the possible application of guaranties of this type to investments which may be acceptable in Yugoslavia.

It is understood that Yugoslavia would be most interested in investments in such industries as mining, cement manufacturing, power development, and various export industries which Yugoslavia wants to expand. Such expansion would contribute to the common defensive strength against aggression and to the strengthening of peace.

Officials of the Yugoslav Embassy in Washington said that they will welcome discussions with American businessmen or company representatives interested in investment opportunities in Yugoslavia. They stated that even before the exchange of notes between the United States and Yugoslav Governments, there had been serious interest on the part of several American firms in investments of this kind.

Under guaranty legislation and the agreement, the investor must secure approval of the proposed investment from the Yugoslav Government, as well as from Msa, before Msa can issue a guaranty.

The exchange of notes between the United States and Yugoslavia defines the treatment to be accorded by the Government of Yugoslavia to currency or claims which the U.S. Government might acquire if Msa guaranties should be invoked. In the case of convertibility guaranties, the U.S. Government would acquire the investor's dinars, should they be blocked. This currency would then be available for administrative expenses of the U.S. Government in Yugoslavia.

Under the terms of the agreement, claims acquired by the United States as a result of the guaranty would be negotiated on the diplomatic level rather than through the Yugoslav courts. If no settlement were reached through diplomatic channels, the next step under the agreement would be arbitration of the claims by a person selected by mutual agreement, or, failing that, by an arbitrator selected by the President of the International Court of Justice.

Only new investment, including additions to existing investments, may be covered by Msa industrial guaranty contracts.

Under the Mutual Security Act of 1952, Msa may extend its guaranty program to investments in any country participating in the Mutual Security Program, of which the Point Four Program is a part.

## A Review of ECOSOC's 14th Session

by *Isador Lubin*

The most urgent economic task of our time is the job of increasing the rate of progress against hunger and disease, against low living standards and underemployment.

Year by year, each session of the Economic and Social Council will vary in the extent to which it moves toward these objectives. The fourteenth session, held May 20 to August 1, was not the most successful. It was nevertheless a session which adopted new programs and spurred the older ones so that important progress was achieved. For example:

1. As a result of Council action, a unit will be established in the Secretariat to promote international action for the more effective use of water resources and the utilization of arid lands. This work will include the promotion of basic water resource data, the exchange of information among countries, and reports on the activities of international organizations and national governments. The subject will be kept under continuous surveillance by the Council.

2. Utilizing the resources of the United Nations and the specialized agencies, a new attack is being made upon methods of increasing productivity. This is essentially a "bootstrap"

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EDITOR'S NOTE: The following statements and addresses made by Mr. Lubin in the course of this session of ECOSOC may be found printed in the BULLETIN: "The World's Awakening Peoples and Their Demand for Human Betterment," June 16, 1952, p. 934; "A Review of World Economic Events and Defense Adjustment Problems," June 23, 1952, p. 989; "Answers to Soviet Distortions and Misrepresentations of U.S. Economy," June 30, 1952, p. 1032; "U.S. Position on Proposed International Development Fund," July 14, 1952, p. 73; "Planning for the Relief of Famine Emergencies," July 21, 1952, p. 111; "Relation Between Domestic and International Economic Security," August 4, 1952, p. 187. Also included in the BULLETIN are statements made before the Council by Walter M. Kotschnig, Deputy U.S. Representative; "Soviet Propaganda, Not U.S. Press, is Threat to World Peace," July 21, 1952, p. 109; "Human Welfare: A Practical Objective," July 28, 1952, p. 142.

operation—using the tools and the resources already available in a country in a more efficient and productive manner. It is one of the main hopes for progress in the underdeveloped countries.

3. The World Bank has been asked to explore in greater detail the feasibility of an international finance corporation designed to stimulate the flow of private capital into business enterprises in underdeveloped areas. While the studies thus far do not allow hard-and-fast conclusions, the proposal of the Bank holds forth possibilities of great interest.

4. First steps were taken to call an international conference of experts on population in 1954. The problems stemming from the rapid increase in world population are in need of the most painstaking study.

5. The administrative structure of the technical assistance program has been modernized with the appointment of David Owen as full-time chairman of the Technical Assistance Board. Further, the entire program of technical assistance has been surveyed in the most careful manner. The U.N. program is growing in size and competence and in its usefulness to underdeveloped countries. Its program for 1953 is based on a contributions goal of \$25,000,000. As reports on the operation of this program accumulate, I am convinced that popular understanding of its merits will increase and that it will be utilized on an ever-broadening scale.

6. Stand-by machinery is being created to fight famine. The Food and Agriculture Organization (FAO) is established as the warning agency, working on methods of detecting in advance the probability of acute food shortages. Governments are asked to take the preparatory steps of designating the appropriate ministries to cope with a national famine disaster, encouraging national voluntary relief organiza-

tions, and planning transport and distribution systems. The Secretary-General of the United Nations is asked to coordinate the plans and operations of intergovernmental organizations, governments, and voluntary agencies.

### World Economic and Social Situations

These and other actions are solid bricks in the world economic structure we are seeking to build together.

In addition to the economic development problem, the Council's annual survey and debate of the world economic situation was productive and useful. Until the Secretariat's report was issued, misunderstandings were widespread as to the effect of the rearmament program on economic development and on standards of living. Communist propaganda has tried to distort those misunderstandings even further.

Now, however, as a result of the U.N. report and the Council's debate, it is clear to all that materials for economic development have gone forward to underdeveloped countries in increasing—not decreasing—quantities, and that standards of living have been maintained.

The Council continued its watchfulness over the possibility of economic recessions in conformity with its continuing objective of maintaining full employment.

In the field of social affairs, the Council had before it for the first time a comprehensive report on the world social situation. This is one of the most important documents of recent years, describing conditions and trends affecting the way people live everywhere.

This report is significant in two main respects. First, it presents to the world in a single picture the grim life among most of the world population:

—Population is growing at a rate that brings into being each year the equivalent of a new nation the size of Spain.

—Half the world's people live in Asia, but they receive only 11 percent of world income; North America, on the other hand, with but 10 percent of the population, has nearly 45 percent of world income. In this diversity lies great danger.

—Food production per person in the world is still less than it was before the war.

Second, the report marks a turning-point in human affairs among these people—the end of fatalistic acceptance of their poverty, disease, and ignorance, and the rise of an insistent demand for improvement.

This renaissance, in turn, places before the people of these countries a critical decision. As Walter M. Kotschnig, U.S. Deputy Representative on the Council, pointed out in debate on the report, in their efforts toward improvement, they have the choice of the way of the free, which we believe

leads to the greatest benefits, and the way of the unfree, of the oppressed.

It is apparent now from the Social Report and from our discussions of it that not only the United Nations but individual countries will be better able to isolate the most urgent problems they must attack. People the world over will have a better understanding of the problems they must cope with.

### Progress in Specific Social Fields

Progress also is being made in specific social fields. A conference is to be called to draft and adopt a protocol on the limitation of the production of opium. A resolution asks the General Assembly to open for signature a convention on the political rights of women. Through a *rapporteur*, the Council will keep in touch with world developments in the field of freedom of information. The latter arrangement is on a one-year-trial basis.

Discussion of the affairs of UNICEF showed continued general support of the world-wide work of this organization. The Soviet Union and its satellites continue their earnest nonparticipation in this humanitarian program.

The Council, in addition, has reviewed the programs of the specialized agencies and has found that their work is being carried on satisfactorily and in coordinated fashion. Much important work was done on the matter of priorities—to see that first things come first in programs of these agencies.

Soviet strategy in this session of the Council has been directed along three principal lines:

1. To undermine world confidence in the economic strength and stability of the United States;

2. To broadcast the impression that American standards of living—in fact the living standards of all the free countries—have been falling precipitately.

3. A line which appears to be taking on increased importance in the Soviet propaganda picture, attributing to modern America the views of the 18th century British economist Malthus, that population is increasing faster than the world can feed it. The United States, it is claimed, therefore advocates the mass extermination of large populations in Asia, the Middle East, and Africa. This attack seems to have risen in vehemence since the outlandish charges of germ warfare in North Korea and Communist China were first propagated.

Answers and denials of these preposterous attacks must be reiterated time and again—and reinforced by facts and programs of action. The facts are that the American economy is stable and strong (the figures behind this story have been given to the Council). The facts are that stand-

ards of living in the non-Communist world, by and large, are rising and can rise further. The facts are that no country in the world has devoted a larger share of its resources and energies, as a matter of national policy, to the alleviation of the suffering and underprivileged in all parts of the

globe than the United States. The facts conclusively disprove the oft-repeated Communist charges.

• *Mr. Lubin, author of the above article, is the U.S. representative on the U.N. Economic and Social Council.*

## U. S., U. K., and France Propose Plan To Limit Arms by Type and Quantity

*Statement by Benjamin V. Cohen<sup>1</sup>*

On May 28, 1952, the United States joined with France and the United Kingdom in submitting a tripartite working paper,<sup>2</sup> in which it was proposed that effort should be directed toward fixing ceilings for the armed forces of all states as one important item in a comprehensive disarmament program. It was suggested that the ceilings for the United States, the Soviet Union, and China should not exceed 1,000,000 or 1,500,000 and those for the United Kingdom and France should not exceed 700,000 or 800,000. It was suggested that if tentative ceilings could first be agreed upon for the Five Great Powers, then, having regard to the ceilings fixed for the Five Great Powers, comparable ceilings could be agreed upon for all other states having substantial military forces. It was suggested that such ceilings should be fixed with a view to avoiding a disequilibrium dangerous to international peace and security in any area of the world, thus reducing the danger of war and fear of aggression. It was further suggested that tentative agreement on such ceilings should greatly simplify and facilitate the task of limiting and restricting armaments to those necessary and appropriate to support the permitted armed forces.

The sponsors of the tripartite working paper attached great importance to this paper and hoped that it might be an opening wedge to serious discussion and substantial progress in the field of disarmament. We were disappointed when the Soviet Union indicated its unwillingness to give

consideration to our proposals even as a basis of discussion. The Soviet representative explained to us that the Soviet Union regarded the tripartite paper as fatally deficient because, in its opinion, it did not deal with the distribution of the armed forces among the land, sea, and air services and did not limit or restrict the armaments which might be available to support permitted armed forces.

As representative of the United States, on June 10, in replying to the statement of the Soviet representative on the same date directed against the tripartite statement, I stated:<sup>3</sup>

Our position, Mr. Chairman, is clear . . .

In the first place, the ceilings on the armed forces which we propose are only one element of a comprehensive disarmament program.

In the second place, the ceilings which we propose extend to all armed forces, including air, sea, under-sea, land, and all other forces which are employed to propel armaments of any kind or nature, indeed, more clearly than does the Soviet proposal regarding a third reduction in the armed forces.

In the third place, the ceilings which we propose are not intended to exclude or divert attention from other essential components of a comprehensive disarmament program, which must as a minimum include:

(a) The reduction of armaments to types and quantities necessary and appropriate to support permitted armed forces and the exclusion and elimination of all other weapons and armaments.

(b) In particular it should cover the elimination of atomic weapons and the control of atomic energy to insure its use for peaceful purposes only and the elimination of all major weapons adaptable to mass destruction, including bacteriological.

(c) It should include adequate and effective safeguards to insure the observance of the agreements and the protection of the complying states from the hazards of violations and evasions.

<sup>1</sup> Made in the U.N. Disarmament Commission on Aug. 11 and released to the press by the U.S. Mission to the U.N. on the same date. Ambassador Cohen is deputy U.S. representative in the Disarmament Commission.

<sup>2</sup> BULLETIN of June 9, 1952, p. 910.

<sup>3</sup> *Ibid.*, June 30, 1952, p. 1030.



Today the U.S. delegation joins with the delegations of France and the United Kingdom in presenting a supplement to our tripartite working paper. This supplement makes clear that we propose not only to fix numerical ceilings on all armed forces but to limit armaments in types and quantities to those necessary and appropriate to support permitted armed forces and also to prevent undue concentration of the permitted armed forces in any particular category or categories of service in any manner which might prejudice a balanced reduction. This supplement makes clear that procedures must be worked out to facilitate the development of mutually agreed programs not only fixing numerical ceilings on all armed forces but determining their distribution within stated categories, limiting in types and quantities the armaments to be allowed in support of permitted armed forces, and bringing all essential components of the programs into balanced relationship. For purposes of discussion, the supplement suggests a procedure which, it is hoped, will facilitate the working out of such mutually agreed programs to be comprehended within the treaty or treaties referred to in the General Assembly resolution of January 11, 1952.<sup>4</sup>

We recognize that the needs and responsibilities of states are different. Some states with overseas responsibilities need more naval forces, others do not. Some states may require certain types of forces and armaments for their defense and other states may have different needs and requirements. Considerable flexibility in negotiation will be necessary to obtain concrete and satisfactory results. The important thing is to obtain the greatest practicable reduction in armed forces and armaments in order to reduce the danger and fear of war, bearing in mind the necessity of avoiding any serious imbalance or disequilibrium of power dangerous to international peace and security in any part of the world.

If our proposals for fixing numerical limitations on all armed forces are accepted and the powers principally concerned are prepared to undertake in good faith serious negotiations looking toward their implementation, the procedure we are suggesting is as follows:

#### **Five Power Conference Proposed**

Arrangements might be made for a conference of the Five Great Powers which are permanent members of the Security Council with a view to reaching tentative agreement among themselves by negotiation on:

(a) the distribution by principal categories of the armed forces that they would consider necessary and appropriate to maintain within the agreed numerical ceilings proposed for their armed forces;

(b) the types and quantities of armaments which they would consider necessary and appropriate to support permitted armed forces within the proposed numerical ceilings;

(c) the elimination of all armed forces and armaments other than those expressly permitted, it being understood that all major weapons adaptable to mass destruction should be eliminated and atomic energy should be placed under effective international control to insure its use for peaceful purposes only.

Necessarily these agreements would be tentative because they would have to be reviewed in light of similar agreements which would have to be reached with other states. Necessarily, the kind of limitations which one state may be willing to accept on its armed forces and armaments would depend upon the kind of limitations other states would be willing to accept. It would be our hope that allowing scope for negotiation would make possible greater progress toward disarmament than might be possible by exclusive reliance on abstract formulae.

#### **Importance of Timing and Coordination**

When the Five Great Powers succeed in reaching tentative agreement among themselves on the size and distribution of their armed forces and the kind and quantities of their armaments, it is proposed that regional conferences should be held under the auspices of the Disarmament Commission as provided in paragraph 6 (b) of the General Assembly resolution. It is proposed that these regional conferences be attended by all governments and authorities having substantial military forces in the respective regions. In light of the tentative agreement reached by the Five Great Powers, the regional conferences would endeavor to reach similar tentative agreement on:

(a) the over-all numerical ceilings for the armed forces of all governments and authorities in the region;

(b) the distribution of permitted armed forces within stated categories;

(c) the types and quantities of armaments necessary and appropriate to support the permitted armed forces; and

(d) the elimination of all armed forces and armaments other than those expressly permitted, it being understood that all major weapons adaptable to mass destruction will be eliminated and atomic energy would be brought under effective international control to insure its use for peaceful purposes only.

When such tentative agreements regarding the size and the armaments of the armed forces of all states with substantial armed forces have been reached, it is proposed that these agreements should be incorporated into a draft treaty comprehending and bringing into balanced relationship all essential components of the disarmament program.

<sup>4</sup> *Ibid.*, Mar. 31, 1952, p. 507.

The supplement to the tripartite paper also makes clear what is meant by balanced relationship among the essential components of the program. We make clear that the timing and coordination of the reductions, prohibitions, and eliminations should insure the balanced reduction of overall armed strength and should avoid creating or continuing any disequilibrium of power dangerous to international peace and security during the period that the reductions, prohibitions, and eliminations are being put into effect. In particular, the initial limitations or reductions in armed forces and permitted armaments and the initial steps toward elimination of prohibited armaments should commence at the same time. Subsequent limitations and reductions should be synchronized with subsequent progress in elimination of prohibited armaments.

An international control authority should be established at the commencement of the program, and it should be in a position to assume progressively its functions, in order to insure the carrying out of the limitations, reductions, curtailments and prohibitions. Thus when the limitation and reduction in armed forces and armaments provided by the treaty or treaties are completed, production of prohibited armaments will have ceased, existing stockpiles of prohibited armaments and facilities for their production will have been disposed of, atomic energy will have been utilized for peaceful purposes only, and the international control authority will have assumed its full functions.

In this connection, I should emphasize again the necessity of our working out effective machinery to safeguard and police whatever programs of disarmament may be mutually agreed upon under the procedures we are suggesting. Indeed it is regrettable that we have not been able to make greater progress in clarifying our ideas as to how the necessary controls are to operate. Some states may hesitate to commit themselves even tentatively to drastic reductions and eliminations before they are satisfied that we are in fact able to establish international controls which will protect and safeguard complying states from the hazards of evasions and violations. In any event it should be clearly understood that the programs of disarmament which may be agreed upon under the procedures we are proposing cannot be put into effect until we have agreed upon the safeguards necessary to insure their faithful execution and continued observance.

Mr. Chairman, the sponsors of the tripartite working paper and its supplement have tried hard to break ground in order to make it possible for the Commission to progress in its work. The tripartite paper with its supplement is a working paper. It is not in final or definitive form. It is submitted for discussions. The sponsors, as well as other members, may have changes to suggest as a result of further thought and discussion. But

the sponsors of the paper do believe that the procedures suggested constitute a constructive approach and are entitled to serious consideration.

Disarmament cannot be achieved by talk or even by simple resolution. Disarmament cannot be achieved without good will and painstaking work. The sponsors of the tripartite proposals have suggested procedures which if followed through, in good faith and with honest effort, should advance us on the road to disarmament and peace. The sponsors have faced and not dodged the many difficult problems which confront us. The sponsors of the tripartite proposals sincerely hope that the proposals they have made and the procedures they have suggested may provide a basis of cooperative work on the part of all of us. They sincerely hope that their proposals will make possible real progress toward relaxation of international tensions, settlement of major political issues, and genuine disarmament and peace.

U. N. doc. DC/12  
Dated Aug. 12, 1952

#### **SUPPLEMENT TO TRIPARTITE WORKING PAPER SETTING FORTH PROPOSALS FOR FIXING NUMERICAL LIMITATION OF ALL ARMED FORCES**

I. It is contemplated that any agreement for the numerical limitation of armed forces would necessarily comprehend:

(a) provisions to ensure that production of armaments and quantities of armaments bear a direct relation to the amounts needed for permitted armed forces;

(b) provisions for composition of permitted armed forces and armaments in order to prevent undue concentration of total permitted armed forces in a manner which might prejudice a balanced reduction;

(c) procedures in conformity with the directive contained in paragraph 6 (b) of the General Assembly Resolution of January 11, 1952, for the negotiation within overall limitations of mutually agreed programs of armed forces and armaments with a view to obtaining early agreement on these matters among states with substantial military resources.

Procedures should be worked out to facilitate the development under the auspices of the Disarmament Commission of mutually agreed programs of armed forces and armaments to be comprehended within the treaty or treaties referred to in the General Assembly Resolution of January 11, 1952.

II. One possible procedure, advanced for the purpose of initiating discussions, might be:

(a) Upon acceptance of the proposals set forth in Working Paper DC/10 with respect to fixing numerical limitation of all armed forces, arrangements might be made for a conference between China, France, the Union of Soviet Socialist Republics, the United Kingdom and the United States of America with a view to reaching tentative agreement among themselves, by negotiation, on (1) the distribution by principal categories of the armed forces that they would consider necessary and appropriate to maintain within the agreed numerical ceilings proposed for their armed forces; (2) the types and quantities of armaments which they would consider

necessary and appropriate to support permitted armed forces within the proposed numerical ceilings; (3) the elimination of all armed forces and armaments other than those expressly permitted, it being understood that provision will be made for the elimination of all major weapons adaptable to mass destruction, and for the effective international control of atomic energy to ensure the prohibition of atomic weapons and the use of atomic energy for peaceful purposes only.

The distribution of armed forces within stated categories and the types and volumes of armaments would not necessarily be identic, even for states with substantially equal aggregate military strength, inasmuch as their needs and responsibilities may be different. The objective of the agreements would be to reduce the possibility and fear of aggression and to avoid a disequilibrium of power dangerous to international peace and security. Such agreements would necessarily be tentative, as they would have to be reviewed in the light of further tentative agreements to be reached, as indicated in the following paragraph.

(b) When tentative agreement is attained at the conference referred to in paragraph II. (a), regional conferences might be held, to be attended by all governments and authorities having substantial military forces in the respective regions, for the purpose of reaching similar tentative agreement on (1) the overall numerical ceilings for the armed forces of all such governments and authorities, as proposed in paragraph 5 (b) of the Tripartite Working Paper on numerical limitations, (2) the distribution of the permitted armed forces within stated categories, (3) the type and volume of armaments necessary and appropriate to support the permitted armed forces, and (4) the elimination of all armed forces and armaments other than those expressly permitted, it being understood that provision will be made for the elimination of all major weapons adaptable to mass destruction, and for the effective international control of atomic energy to ensure the prohibition of atomic weapons and the use of atomic energy for peaceful purposes only.

(c) Thereafter a draft treaty might be worked out, as contemplated in operative paragraph 3 of the General Assembly Resolution of January 11, 1952, comprehending and bringing into a balanced relationship all essential components of the program.

III. The timing and coordination of the reductions, prohibitions and eliminations should ensure the balanced reduction of overall armed strength and should avoid creating or continuing any disequilibrium of power dangerous to international peace and security during the period that the reductions, prohibitions and eliminations are being put into effect. In particular, the initial limitations or reductions in armed forces and permitted armaments and the initial steps toward elimination of prohibited armaments should commence at the same time. Subsequent limitations and reductions should be synchronized with subsequent progress in elimination of prohibited armaments. An international control authority should be established at the commencement of the program and it should be in a position to assume progressively its functions in order to ensure the carrying out of such limitations, reductions, curtailments and prohibitions. Thus, when the limitations and reductions in armed forces and permitted armaments provided by the treaty or treaties are completed, production of prohibited armaments will have ceased, existing stockpiles of prohibited armaments and facilities for their production will have been disposed of, atomic energy will be utilized for peaceful purposes only, and the international control authority will have assumed its full functions.

## U.S. Delegations to International Conferences

### Conference on Universal Copyright Convention (UNESCO)

On August 15 the Department of State announced that an intergovernmental conference to complete and sign a universal copyright convention will convene at Geneva on August 18, 1952, under the auspices of the U.N. Educational, Scientific and Cultural Organization (UNESCO).

The U.S. Government will be represented at the Conference by the following delegation:

#### *Chairman*

Luther Evans, Librarian of Congress

#### *Congressional Advisers*

Joseph R. Bryson, House of Representatives

Shepard J. Crumpacker, House of Representatives

#### *Advisers*

Roger C. Dixon, Chief, Business Practices and Technology Staff, Department of State

Arthur Farmer, General Counsel, American Book Publishers' Council, New York

Arthur Fisher, Register of Copyrights, Library of Congress

Herman Finkelstein, General Counsel, ASCAP, New York

Sydney Kaye, General Counsel, Broadcast Music, Inc., New York

John Schulman, Attorney for the Author's League, New York

Copyright laws of various countries, as well as the provisions of numerous intergovernmental agreements concerning copyright, are so divergent and, in some instances, so conflicting that it is often impossible for an author or publisher in one country to protect his interests in other countries.

The forthcoming diplomatic conference represents the culmination of 5 years of work on an international copyright arrangement, the last 2 years having been under the leadership of UNESCO. A draft of the proposed convention was prepared by UNESCO's Committee of Copyright Experts, in a meeting held at Paris in June 1951, on the basis of suggestions submitted by 25 countries. The draft was then submitted to all the governments of the world, as well as to several international organizations, with a request for their comments.

This draft, together with proposed revisions submitted to UNESCO by governments, will serve as the basis for the work of the Conference which, if successful, will constitute the most important step ever taken to bring uniformity to the presently confused body of law on this subject.

The convention, if concluded and signed at the Conference, will enter into force only after approval by interested governments in accordance with their respective constitutional processes.

## U.S. Views on Dealing With Germ Warfare Elimination as a Separate Problem

*Statement by Benjamin V. Cohen*<sup>1</sup>

While we are waiting for the observations of the member governments to the tripartite supplement to the tripartite working paper, I should like to refer to the question of the elimination of germ warfare and its place in a comprehensive disarmament program. It is not my purpose to reopen the debate started by the improper introduction into this forum of the false charges regarding the use of germ warfare in Korea. But as I have heretofore indicated, the elimination of germ warfare as well as the elimination of mass armies and atomic warfare must be an essential part of a comprehensive disarmament program to reduce the danger of aggression and the fear of war. Before we make our report to the General Assembly, I want to make clear that such elimination is called for and contemplated by the proposals we have made.

During the recent discussion of the Geneva protocol in the Security Council, it was pointed out by the U.S. representative, Ambassador Gross, as well as by the representatives of other members of the Council that the matter of the prohibition and elimination of bacteriological warfare was clearly within the terms of reference of the Disarmament Commission and should be considered in connection with the proposals which the General Assembly has directed the Commission to prepare for the elimination of all major weapons adaptable to mass destruction.

To avoid any possible misunderstanding of the position of the United States, I should like to state again our position in regard to the elimination of all weapons adaptable to mass destruction, including poisonous gas and bacteriological weapons. I want to emphasize that it is the view of my Government that the matter of germ warfare must be included as an essential part of a comprehensive and balanced disarmament program

and cannot be satisfactorily dealt with as a separate or isolated problem.

It would be a grave mistake to assume that, because the United States has not ratified the Geneva protocol, the United States is opposed to the general objective of the treaty, the effective outlawing of poisonous gas and biological weapons directed against human beings. Indeed the United States signed and took an active part in the drafting of the Geneva protocol of 1925, and earlier, in 1922, in drafting the Washington treaty from which the principal provisions of the Geneva protocol were derived. The United States is not unmindful that the ratification of the Geneva protocol by 42 States is a significant manifestation of mankind's desire which the United States also shares, to see these hideous weapons, along with all other weapons adaptable to mass destruction, banned from national armaments.

Those who attempt to explain America's failure to ratify the protocol in terms of Marxist materialism may know their Marxism, but they are woefully ignorant of American life and history.

When the Geneva protocol was submitted to the Senate for ratification, America was retreating rapidly into isolationism and neutralism and feared any involvement with the League and any treaties originating from Geneva. It is ridiculous and absurd for Mr. Malik to think that the nation which a few years later was to attempt to ban any shipments of arms to any belligerent failed to ratify the Geneva protocol because of the profit motives of its ruling classes.

Our sympathy with the general objective of the Geneva protocol should not blind us to the fact that intervening events have demonstrated the protocol to be inadequate and ineffective to achieve its objective. The hope entertained at the end of World War I that states could rely upon treaty promises and treaty declarations without safeguards to insure their observance has turned out to be illusory. Mussolini was no more deterred from using poisonous gas in Ethiopia in the 1930's

<sup>1</sup> Made before the U.N. Disarmament Commission on Aug. 15 and released to the press by the U.S. Mission to the U.N. on the same date. Ambassador Cohen is deputy U.S. representative in the Commission.

by the Geneva protocol, which Italy had accepted, than was Germany deterred from using poisonous gas in World War I by The Hague conventions, which Germany had accepted.

It was shocking to hear the Soviet representative in the Security Council suggest that Hitler was deterred from using poisonous gas and bacteriological warfare in World War II by the Geneva protocol, when we know that Hitler and his henchmen adhered to no treaty or law of God or of man which they believed they could successfully ignore. Would the Soviet representative have us believe that the men who consigned defenseless women, old men, and little children to the gas chambers would have respected the Geneva protocol, save for their fears of reprisals? Winston Churchill did not think so. Marshall Voroshilov did not think so when he stated on February 22, 1938:

Ten years ago or more the Soviet Union signed a convention abolishing the use of poison gas and bacteriological weapons. To that we still adhere but if our enemies use such methods against us I tell you we are prepared and fully prepared to use them also and to use them against aggressors on their own soil.

It was the fear of reprisals and not the conscience of mankind which deterred Hitler.

#### **U.S.S.R.'s Supplementary Protocol of 1928**

Events since the signing of the Geneva protocol have made increasingly clear the inadequacies of the protocol which the Soviet Union was among the first to point out. It was the Soviet Union which submitted on March 23, 1928, a supplementary protocol to the Preparatory Commission for the Disarmament Conference which emphasized, as the United States now emphasizes, practical proposals to insure the elimination of gas and germ weapons from national armaments. The supplementary protocol proposed by the Soviet Union provided:

Article 1—All methods of and appliances for chemical aggression (all asphyxiating gases used for warlike purposes, as well as all appliances for their discharge, such as gas projectors, pulverizers, balloons, flame-throwers and other devices) and for bacteriological warfare, whether in service with troops or in reserve or in process of manufacture, shall be destroyed within three months of the date of the entry into force of the present Convention.

Article 2—The industrial undertakings engaged in the production of the means of chemical aggression or bacteriological warfare indicated in Article 1 shall discontinue production from the date of the entry into force of the present Protocol.

Article 3—In enterprises capable of being utilized for the manufacture of means of chemical and bacteriological warfare, a permanent labour control shall be organized by the workers' committees of the factories or by other organs of the trade unions operating in the respective enterprises with a view to limiting the possibility of breaches of the corresponding articles of the present Protocol.<sup>2</sup>

<sup>2</sup> A/AC.50/3, p. 43, Disarmament Conference documents, vol. I, p. 135.

It was also the Soviet Union which in 1932 requested the rapporteur to include in the Report of the Special Committee on Chemical and Bacteriological Weapons the following pertinent observation:

The Committee on Chemical and Bacteriological Weapons' reply to the General Commission's questions regarding qualitative disarmament is given mainly from the point of view of the prohibition of the use of chemical weapons in war time. This is tantamount to re-stating with a few supplementary details the essential ideas contained in the Geneva Protocol of June 17th, 1925, which up to the present is unfortunately still awaiting the ratification of several states.

Such legal prohibitions are, however, inadequate and of merely secondary importance. *The Soviet Delegation has always attached and continues to attach paramount importance, not to the prohibition of the use of chemical weapons in war time, but to the prohibition of preparations for chemical warfare in peace time. Consequently efforts should be directed not so much to the framing of laws and usages of war as to the prohibition of as many lethal substances and appliances as possible.* This is the point of view which the Union of Soviet Socialist Republics will continue to represent in the General Commission.<sup>3</sup>

We regret that the Soviet Union has given so little attention to this point of view in the Disarmament Commission.

We have pointed out that the Soviet Union and other states which ratified the Geneva protocol reserved the right to employ poisonous gas and germ warfare in reprisal. We have pointed out that the Soviet Union and other states which have ratified the Geneva protocol have conducted research work and made other preparations for the use of poisonous gas and bacteriological warfare. In view of the proved inadequacies of the Geneva protocol we do not criticize the Soviet Union or other states parties to the protocol for these precautionary measures.

But we do criticize the ruling classes of the Soviet Union for attacking the United States for taking the same precautionary measures. We do criticize and condemn the ruling classes of the Soviet Union for making false charges that the United States is using bacteriological warfare in Korea. We do criticize and condemn the ruling classes of the Soviet Union for conducting a hate-mongering campaign against the United States, which is, as I have previously stated, sadly reminiscent of Hitler's hate-mongering campaign against the Czechs before Munich.

We do not criticize the humane and worthy objective of the Geneva protocol. But we do not trust the promises of those who foreswear on paper the use of germ warfare save in reprisal and then make deliberate and false charges that others are using germ warfare. We do not trust the paper promises of those who bear false witnesses against their neighbors. We do not trust the paper promises of those who do not hesitate to break their treaty promises when it serves their ideological ends. We have no reason to believe that those who

<sup>3</sup> Disarmament Conference documents, vol. I, p. 212 ff.

have made deliberately false charges against us would have been loath to make the same false charges against us if we had ratified the Geneva protocol. And that is particularly true when their false charges provide false excuses for breaking their own promises on alleged grounds of reprisals.

### **U.S. Record on Germ Warfare**

Our purpose is not to discredit the worthy objective of the Geneva protocol but to find means adequate and effective to attain its objective. The United States has never used germ warfare. The United States has never used gas warfare save in retaliation in the First World War when it was first used by Germany. In the last World War, President Roosevelt condemned the use of poisonous gas and issued strict orders that it should not be used except in retaliation. The United States has not used gas or germ warfare in Korea. The charges that it has are monstrous falsehoods and those that make them are unwilling to have them investigated by an impartial body. The record of the United States is clear and clean, and no state that keeps its Charter obligations has anything to fear from the United States in this regard.

It is not without significance that in both of the two wars in the Twentieth Century in which poison gas was used, its use was inaugurated by states which had bound themselves on paper not to use it. If the history of the last half century teaches us anything, it teaches us that aggressor states which start wars in violation of their treaty obligations cannot be trusted to keep their paper promises regarding the methods of waging wars if they find that the keeping of those promises stands in the way of their accomplishing their aggressive designs.

If men fight to kill, it is not easy to regulate how they shall kill. Moreover, there is the danger that if we prohibit the use of some weapons, even more hideous weapons may be discovered and used. We want to eliminate, and we have submitted proposals for the elimination of, all weapons which are not expressly permitted as necessary and appropriate to support the limited number of armed forces which may be permitted to states to maintain public order and to meet their Charter obligations.

In civilized communities the deliberate and unprovoked killing of man by man is murder regardless of the kind of weapon used to kill. In a civilized world, deliberate and unprovoked aggression which causes the killing of masses of men should be regarded as mass murder regardless of the kinds of weapons used. That is the theory of the Charter of the United Nations and that is the rule of law which we here in the Disarmament Commission should seek to implement. That is the way we can best attain the unrealized objective of the Geneva protocol.

All members of the United Nations have agreed to refrain in their international relations from

the threat or use of force against the territorial integrity or political independence of any state or in any other manner inconsistent with the purposes of the United Nations. The United States as a member of the United Nations has committed itself, as have all other members, to refrain from not only the use of poisonous gas and the use of germ warfare but the use of force of any kind contrary to the law of the Charter. And by that commitment the United States intends to abide and has a right to expect other members to abide. The United States condemns not only the use of germ and gas warfare but the use of force of any kind contrary to the law of the Charter.

Let it not be said that there is no way to determine when force is being used contrary to the law of the Charter. If the Security Council does not act, the sentiments of the civilized world can be recorded in the General Assembly as the Uniting for Peace resolution provides.

### **Function of the Disarmament Commission**

We hope here in this Disarmament Commission to agree upon measures of disarmament to reduce the possibility of aggression and make war inherently, as it is constitutionally under the Charter, impossible as a means of settling disputes between nations. That is why throughout our discussions, as representative of the United States, I have insisted that we must approach the problem of disarmament from the point of view of preventing war and not from the point of view of regulating the armaments to be used in war. The conception of disarmament as a means of preventing war is the first principle in the proposal which the United States has formally submitted to this Commission setting forth the essential principles which should guide the work of the Disarmament Commission.

My Government hopes we are going to work out here measures of disarmament as a means of preventing war. My Government does not believe that we should interrupt this work to inform any would-be aggressor state which may contemplate using force contrary to its Charter commitments, what kind of force law-abiding states will or will not use to suppress aggression.

I hope my remarks will not be misunderstood. We are issuing no ultimatums. We are making no threats. We will support effective proposals to eliminate all weapons adaptable to mass destruction, including atomic, chemical, and biological weapons from national armaments. We believe, as the Soviet delegation maintained in 1932, that paramount importance should be attached, "not to the prohibition of chemical weapons in war time, but to the prohibition of chemical warfare in peace time" and that "efforts should be directed not so much to the framing of laws and usages of war as to the prohibition of as many lethal substances and appliances as possible."

But we do not intend, before such measures and safeguards have been agreed upon, to invite aggression by informing, or committing ourselves to would-be aggressors and Charter-breakers that we will not use certain weapons to suppress aggression. To do so in exchange for mere paper promises would be to give would-be aggressors their own choice of weapons. For certainly there is no assurance that aggressors, which break their Charter obligations not to go to war, will keep their paper promises not to fight with certain weapons if they have them and need them to achieve their evil designs.

The task of the Disarmament Commission is, as the United States points out in its proposals setting forth the Essential Principles of a Disarmament Programme, to devise measures to insure that "armed forces and armaments will be reduced to such a point and in such a thorough fashion that no state will be in a condition of armed preparedness to start a war," and that "no state will be in a position to undertake preparations for war without other states having knowledge of such preparations long before the offending state could start a war." We do not believe that it is the function of the Disarmament Commission to attempt to codify the laws of war. But obviously if it attempted to do so, it would have to deal with the whole range of weapons and methods of warfare to be prescribed, the machinery necessary to secure the observance of the rules, and the matter of sanctions, reprisals, and retaliation in case of violation.

The Soviet representative has suggested that there are no effective safeguards to insure the elimination of bacteriological warfare and contends in effect that it is therefore necessary for us to rely on the moral force of paper promises prohibiting its use in war. We do not agree. Nor did the Soviet delegation agree with that position in 1928 or in 1932, as we have shown. It may be true that there are no theoretically fool-proof safeguards which would prevent the concoction of some deadly germs in an apothecary's shop in the dark hours of the night. But when the United States proposes the establishment of safeguards to insure the elimination of germ warfare along with the elimination of mass armed forces and all weapons adaptable to mass destruction, it demands what is possible and practical, not the impossible. The United States is seeking action to insure effective and universal disarmament, not excuses for inaction. Bacteriological weapons to

be effective in modern warfare require more than the dropping at random of a few infected spiders, flies, or fleas. They require industrial establishments, facilities for maintaining the agents, transport containers, and disseminating appliances. Such arrangements and facilities will not readily escape detection under an effective and continuous system of disclosure and verification of all armed forces and armaments which the General Assembly has declared to be a necessary prerequisite of any comprehensive disarmament program.

It is unfortunate that the Soviet representative has indicated so little interest in the development of an effective and continuous system of disclosure and verification. It is unfortunate that the Soviet representative has insisted on regarding any effort of the Commission to give serious consideration to such a system as only an effort to collect information for intelligence purposes. It is as the General Assembly has declared an essential part of "a system of guaranteed disarmament." If we want to make progress toward effective disarmament, we must all be willing to lay all our cards on the table.

If an effective and continuous system of disclosure and verification of armed forces and armaments becomes operative along the general lines suggested in the working paper submitted by the United States, we would then have at hand the necessary safeguards to make possible the elimination of bacteriological weapons. The United States proposes that, at appropriate stages in such an effective system of disclosure and verification, agreed measures should become effective providing for the progressive curtailment of production, the progressive dismantling of plants, and the progressive destruction of stockpiles of bacteriological weapons and related appliances. Under this proposal, with good faith cooperation by the principal states concerned, all bacteriological weapons, and all facilities connected therewith, could be completely eliminated from national armaments and their use prohibited.

The position of the United States is clear and unequivocal. We are here not to engage in a battle of propaganda but to find effective ways and means to abolish mass armed forces, to eliminate all weapons adaptable to mass destruction, including atomic and biological, and thereby to reduce and so far as possible eliminate the possibility of war. The only effective way to prevent the horrors of war is to prevent war.

## German Elections Commission Submits Final Report to U. N. Secretary-General

On August 5 the U.N. Information Center at Geneva announced the intention of the U.N. German Elections Commission to adjourn *sine die* following submission of its final report to the U.N. Secretary-General. Following is the text of the Commission Chairman's letter transmitting the final report, together with the text of the report covering the work of the Commission for the period May-August 1952:

### LETTER OF TRANSMITTAL

U.N. doc. A/2122/add. 2  
Dated Aug. 11, 1952

PALAIS DES NATIONS, GENEVA  
5 August 1952

SIR, I have been directed by the United Nations Commission to investigate Conditions for Free Elections in Germany to submit to you herewith its supplementary report covering the period from May 1952 to August 1952. This report, signed in Geneva on 5 August 1952, is being submitted in accordance with the direction given to the Commission by the General Assembly in paragraph 4 (d) of the resolution it adopted on 20 December 1951 on item 65 of its agenda.

I have been further directed by the Commission to state that, while with the submission of the attached report the Commission has decided to adjourn its session *sine die*, it nevertheless will continue to remain at the disposal of the United Nations and all the parties concerned to carry out its task during such time as the mandate entrusted to it remains in force, and at such time as it seems likely to the Commission that it can do so with a prospect of positive results.

I avail myself of this opportunity to renew the assurances of my highest consideration.

M. KOHNSTAMM

Chairman, United Nations Commission to Investigate Conditions for Free Elections in Germany

### COMMISSION'S WORK FROM MAY TO AUGUST 1952

U.N. doc. A/2122/add. 2  
Dated Aug. 11, 1952

1. The United Nations Commission to investigate Conditions for Free Elections in Germany submits to the Secretary-General the present report covering its work during the period from May to August 1952 in pursuance of the direction given to it by the General Assembly of the United Nations.

2. In compliance with the direction given to it under the terms of paragraph 4 (a) of the resolution adopted by the General Assembly on 20 December 1951 (resolution 510 (VI))<sup>1</sup> on the agenda item entitled "Appointment of an impartial international commission under United Nations supervision to carry out a simultaneous investigation in the Federal Republic of Germany, in Berlin, and in the Soviet Zone of Germany in order to determine whether existing conditions there make it possible to hold genuinely free elections throughout these areas", the Commission submitted on 1 May 1952 its report<sup>2</sup> on the results of its efforts to make the necessary arrangements with all the parties concerned to enable it to undertake its work according to the terms of the said resolution.

3. This first report of the Commission contained an account of its activities from 11 February 1952, the date when the Commission first met and organized itself, to 30 April 1952, the date by which the Commission considered it was obliged to submit its first report, after having made in that preliminary period every reasonable effort to make the necessary arrangements with all the parties concerned to enable it to undertake its work.

4. The present report, which supplements the first and is in a sense a postscript to it, contains a brief account of the work of the Commission in the three-month period subsequent to the submis-

<sup>1</sup> See *Official Records of the General Assembly, Sixth Session, Supplement No. 20*, p. 10.

<sup>2</sup> U.N. doc. A/2122 dated May 5, 1952.



sion of the first report, including a brief summation of the views of the Commission as regards developments in the German situation in so far as they may be regarded as having had a bearing on the specific task the Commission was required to carry out.

5. The report is being submitted in accordance with the direction to the Commission contained in paragraph 4 (d) of General Assembly resolution 510 (VI), which "directs the Commission in any event to report, not later than 1 September 1952, on the results of its activities to the Secretary-General, for the consideration of the four Powers and for the information of the other Members of the United Nations".

6. At its 24th meeting held on 31 July 1952 in Geneva, the Commission decided that the final report it was required to submit according to the terms of paragraph 4 (d) of the resolution quoted above should not be delayed any longer, as, in its view, there appeared at the time hardly any further possibility of its being able to carry out its task of simultaneous investigation throughout the whole of Germany of conditions for free elections in that country. Throughout the period of three months during which the Commission has had to remain in Geneva at no little sacrifice to the Member Governments concerned, in constant session and ready to go into action at any time it could do so or it appeared feasible to make an attempt to do so, it had become increasingly evident that the unwillingness to co-operate with and assist the Commission to discharge its task displayed at the sixth session of the General Assembly by the representatives of the Union of Soviet Socialist Republics and of the German authorities in the Soviet Zone of Germany, remain undiminished.

7. It will be recalled that the Commission in its first report stated the then existing position in paragraphs 67 and 68, which for the sake of ready reference are reproduced below:

While the Commission has been successful in carrying out its preliminary task in the Federal Republic of Germany and in the Western Sectors of Berlin, it has not thus far been able to establish reciprocal contact with the authorities in the Soviet Zone of Germany and in the Eastern Sector of Berlin even by correspondence. The Commission consequently has not thus far been able to make with the authorities concerned in the Soviet Zone of Germany and in the Eastern Sector of Berlin the arrangements deemed necessary by it to enable it to undertake its work in accordance with its terms of reference. Bearing in mind the infructuous efforts it has made on four separate occasions to appeal to the Soviet Control Commission for Germany to facilitate it in the discharge of its duties, the Commission, to its regret, is obliged to conclude that at present there is little prospect of its being able to pursue its task.

However, in view of the fact that sub-paragraph 4 (c) of General Assembly resolution 510 (VI) "directs the Commission, if it is unable forthwith to make these arrangements, to make a further attempt to carry out its task at such time as it is satisfied that the German authorities in the Federal Republic, in Berlin, and in the Soviet Zone will admit the Commission, as it is desirable

to leave the door open for the Commission to carry out its task," the Commission will remain at the disposal of the United Nations and the parties concerned, and will make a further attempt to implement its mandate at such time as it seems likely to the Commission that new steps may lead to positive results.

8. In all the period that the Commission has had to remain in session in Geneva since the submission of its first report in order to make an effort to implement, if feasible, the directions given to it by paragraphs 4 (c) and 4 (b) of General Assembly resolution 510 (VI), the Commission had hoped that the authorities of the U.S.S.R. as well as the German authorities in the Soviet Zone of Germany would ultimately see their way clear to co-operate with the Commission, an impartial, international body set up by the United Nations with the positive support of forty-five out of its sixty Members, and one that had already received every assurance of co-operation from the authorities representing by far the greater portion of the German people. This hope was entertained by the Commission because of its understanding that the authorities of the U.S.S.R. as well as the German authorities in the Soviet Zone of Germany, were as anxious as the three Western Powers and the authorities in the Federal Republic of Germany and the Western Sectors of Berlin to bring about a peaceful solution to the German question by way of the formation of a freely elected all-German government with which the four occupying Powers could proceed to negotiate a peace treaty. It seemed clear to the Commission that the four occupying Powers were agreed that an essential preliminary to the formation of an all-German government was that it should be formed on the basis of free elections, and further that, prior to the formation of such a government, an investigation by an impartial body was necessary to determine whether existing conditions throughout Germany admitted of the possibility of genuinely free elections. It was the Commission's hope that the Government of the U.S.S.R. anxious as it was for a quick and just solution to the German question, would ultimately be persuaded to repose faith in a body that had been set up by an overwhelming majority of its colleagues in the United Nations.

9. In the period between the submission of its first report and before it could make a further attempt to carry out its task, the Commission considered that it would have to be reasonably certain that, at whatever time it did make the further attempt, it would be attended with some prospect of success. The Commission, therefore, was perforce concerned to consider closely developments in the German situation arising out of the exchange of Notes between the U.S.S.R. on the one hand, and France, the United Kingdom and the United States of America on the other, as well as significant developments inside Germany itself.

10. The series of Notes on the German question exchanged between the U.S.S.R. and the three Western Powers, it will be recalled, commenced

with one from the U.S.S.R. dated 10 March 1952, by which date the Commission had been in existence and at work for a month. By the time the Commission submitted its first report on 1 May 1952, the U.S.S.R. had addressed two Notes to the three Western Powers (on 10 March and 9 April respectively), and the three Western Powers had replied on 25 March to the first Soviet Note. Between 1 May and 5 August 1952, the date on which the present report was adopted by the Commission, three further Notes<sup>3</sup> were exchanged between the four occupying Powers. In none of the six Notes could the Commission discern any agreement whatsoever between the U.S.S.R. and the three Western Powers as to utilization of the Commission in carrying out an investigation in all of Germany to determine whether existing conditions there made it possible to hold genuinely free elections in that country. Indeed, what became more obvious as a result of the exchange of the series of Notes was the following: (1) that the three Western Powers, while they continued to maintain more or less strongly their preference for the present United Nations Commission, were nevertheless prepared at the same time "to consider any other practical and precise proposals for an impartial commission of investigation which the Soviet Government may wish to put forward, on the one condition that they are likely to promote the early holding of free elections throughout Germany"<sup>4</sup> and (2) that the U.S.S.R. continuing to maintain its objection to the competence of the United Nations to concern itself with the German question, rejected investigation by the present Commission, while it was agreeable to an investigation by another impartial commission formed by the four Powers occupying Germany.

11. The Commission, at this point, would like to make certain observations. While on the one hand, the Commission derives its mandate solely from the General Assembly of the United Nations, it is, on the other hand, entirely dependent on the willingness of all the parties concerned to co-operate unreservedly with it for the execution of its mandate. It has so far been unable to secure this co-operation from the authorities in the Soviet Zone of Germany, and it could see at the time of the adoption of the present report little prospect of its being able to do so in the near future. The Commission, as a United Nations body, is anxious above all for an early, just and peaceful solution of the German question, regardless of whether the steps contributing to such a solution are to be worked out under the auspices of the United Nations or not. The United Nations, the Com-

mission is confident, would at all times be prepared to heed any appeal for its assistance in the finding of a peaceful solution to this question. This being its view, the Commission would not desire to suggest that it alone affords the only impartial means of investigating existing conditions in all of Germany. The Commission would consider its existence and its work hitherto justified, and its mission in substance fulfilled, if, by agreement among the four occupying Powers, another equally impartial body were to be set up which could and would carry out the essentials of the mandate entrusted to the present United Nations Commission.

12. Apart from its consideration of the situation arising out of the exchange of the series of Notes between the U.S.S.R. and the three Western Powers, the Commission, during the last three-month period, has also been watching with concern reports of internal developments in Germany. These have been such as to afford no hope to the Commission that the German authorities in the Soviet Zone of Germany will co-operate with it in the execution of its task.

13. At its 23rd meeting held on 11 July, the Commission felt that it might perhaps be well for it to wait to consider the U.S.S.R. reply to the Note of the three Western Powers dated 10 July before deciding to submit the present report and adjourn its session *sine die*. However, after further prolonged deliberation, it decided that, if past events provided any indication of the nature of things to come, there was little prospect of its being able to carry out its task any further beyond what it had been able to do in the preliminary period of its activity. At its 24th meeting held on 31 July, the Commission decided, therefore, to submit its final report and adjourn its session *sine die*, desiring, however, to maintain its headquarters and secretariat in the Palais des Nations, Geneva, until the expiry of its mandate. While with the adjournment *sine die* of its session the Commission has left its representatives free to resume duty with their respective Governments, the Commission as a body wishes, however, again to lay stress on the fact that, in compliance with the resolution of the General Assembly, it will continue to remain at the disposal of the United Nations and all the parties concerned to carry out its task during such time as the mandate entrusted to it remains in force, and at such time as it seems likely to the Commission that it can do so with a prospect of positive results.

14. The following four representatives on the Commission, whose signatures are appended below, unanimously adopted the report at the 25th meeting of the Commission held on 5 August 1952 in the Palais des Nations, Geneva.

Signed: <i>Brazil</i>	A. MENDES VIANNA
<i>Iceland</i>	KRISTJÁN ALBERTSON
<i>Netherlands</i>	M. KOIJNSTAMM
<i>Pakistan</i>	A. H. ABBASI

<sup>3</sup>The three Western Powers replied to the second U.S.S.R. Note on 13 May 1952. The U.S.S.R. addressed its third Note to the three Western Powers on 24 May 1952. The three Western Powers replied to the third U.S.S.R. Note on 10 July 1952.

<sup>4</sup>Quoted from the text of the Note of the three Western Powers dated 13 May 1952 addressed to the U.S.S.R.

## Ambassador Muccio Nominated to U.N. Trusteeship Council

White House press release dated August 13

To succeed Francis B. Sayre as U.S. representative on the U.N. Trusteeship Council, the President will nominate John J. Muccio, now Ambassador to Korea. Mr. Sayre, who had held the position since 1949, resigned in June of this year.

It will not be possible for Mr. Muccio to take up his duties on the Trusteeship Council until January, as his services will be needed in the Department of State for several months. To undertake these interim duties in the Department of State, Mr. Muccio will come to Washington shortly.

Mr. Muccio was named special representative of the President with the personal rank of ambassador on July 28, 1948. He was appointed ambassador on April 7, 1949, following U.S. recognition of the Republic of Korea on January 1 of that year.

The President personally awarded Mr. Muccio the Medal of Merit for his devotion to duty. The medal, presented to Mr. Muccio on Wake Island in October 1950, cited Mr. Muccio's "courageous and effective performance of duty."

Mr. Muccio's efforts in the Republic of Korea contributed greatly to the morale of the people of the Republic of Korea and the United States during the dark days of 1950. He has served as the first U.S. Ambassador to the Republic of Korea. The last 2 years of his service have been an arduous ordeal, and his performance represents the finest traditions of Americans in the service of their country abroad.

## Congress of Anthropological and Ethnological Sciences

Press release 642 dated August 15

William N. Fenton, Executive Secretary of the Division of Anthropology and Psychology of the National Research Council, will represent the United States at the Fourth International Congress of Anthropological and Ethnological Sciences, to be held at Vienna, September 1-8, 1952.

The International Congress was established in 1933 for the purpose of stimulating the study of anthropological and ethnological sciences—branches of study which contribute to the knowledge of man through their application to the study of races, peoples, and ways of life—by developing these sciences and coordinating research in them. The Congress, which normally convenes every 4 years, enables research scientists from many nations to meet for the free exchange of information on new developments and research techniques.

August 25, 1952

Physical anthropologists, sociologists, ethnologists, folklorists, linguists, prehistorians, and archaeologists of all nations are invited to attend the sessions of the forthcoming congress.

The third congress was held at Brussels in 1948.

## Communiqués Regarding Korea to the Security Council

The Headquarters of the United Nations Command has transmitted communiqués regarding Korea to the Secretary-General of the United Nations under the following United Nations document numbers: S/2689, July 3; S/2690, July 3; S/2695, July 10; S/2696, July 10; S/2697, July 14; S/2698, July 11; S/2699, July 11; S/2703, July 14; S/2704, July 15; S/2708, July 17; S/2709, July 17; S/2711, July 21; S/2713, July 21; S/2714, July 22; S/2716, July 23; S/2717, July 23; S/2718, July 23; S/2719, July 24; S/2720, July 25; S/2723, July 28; S/2725, July 29; S/2726, July 30; S/2728, July 31; S/2729, August 1; S/2730, August 4; S/2731, August 5; and S/2732, August 6.

## Current United Nations Documents: A Selected Bibliography<sup>1</sup>

### Economic and Social Council

Full Employment. Implementation of Full Employment Policies. Replies of governments to the full employment questionnaire covering the period 1951-52, submitted under resolutions 221 E (IX), 290 (XI) and 371 B (XIII) of the Economic and Social Council. E/2232/Add. 1, June 10, 1952. 46 pp. mimeo; E/2232/Add. 2, June 23, 1952. 39 pp. mimeo.; and E/2232/Add. 4, July 7, 1952. 46 pp. mimeo.

Migration. Report by the Director-General of the International Labour Office to the Economic and Social Council in accordance with Council resolution 396 (XIII) of 25 August 1951 on methods of international financing of European emigration. E/2235/Add. 1, June 13, 1952. 41 pp. mimeo.

Production and Distribution of Newsprint and Printing Paper. Report by the Secretary-General. E/2241, June 16, 1952. 17 pp. mimeo.

<sup>1</sup> Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

The United Nations Secretariat has established an Official Records series for the General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, and the Atomic Energy Commission, which includes summaries of proceedings, resolutions, and reports of the various commissions and committees. Information on securing subscriptions to the series may be obtained from the International Documents Service.

**Economic Development of Under-Developed Countries: Integrated Economic Development and Commercial Agreements** (General Assembly Resolution 523 (VI)). Replies from governments of Member States in response to General Assembly resolution 523 (VI) on action taken concerning production, distribution and prices of commodities and measures to combat inflation. E/2243/Add. 1, June 12, 1952. 7 pp. mimeo; and E/2243/Add. 2, June 17, 1952. 20 pp. mimeo.

**Narcotic Drugs.** Resolutions of 22, 27 and 28 May 1952. E/2250, June 20, 1952. 8 pp. mimeo.

**Plight of Survivors of Nazi Concentration Camps.** Third Progress Report by the Secretary-General. E/2259, June 18, 1952. 7 pp. mimeo.

**Economic Development of Under-Developed Countries. Methods To Increase World Productivity.** Working Paper by the Secretary-General. E/2265, June 24, 1952. 25 pp. mimeo.

**Second Progress Report of the *Ad Hoc* Committee on Forced Labour to the Economic and Social Council and to the Governing Body of the International Labour Office.** E/2276, E/AC.36/13, July 3, 1952. 15 pp. mimeo.

**Social Activities. Housing and Town and Country Planning.** (General Assembly Resolution 537 (VI)). E/2284, July 3, 1952. 14 pp. mimeo.

**Programme of Conferences at Headquarters and Geneva.** Memorandum submitted by the Secretary-General to the Economic and Social Council and the Trusteeship Council. E/2298, T/1025, July 15, 1952. 5 pp. mimeo.

**Draft Calendar of Conferences for 1953.** Memorandum by the Secretary-General. E/2299, July 15, 1952. 12 pp. mimeo.

**Expanded Programme of Technical Assistance.** Fifth Report of the Technical Assistance Committee to the Economic and Social Council. E/2304, July 18, 1952. 38 pp. mimeo.

**Social Activities. Standards of Living.** Report of the Social Commission (Eighth Session). Housing and Town and Country Planning (General Assembly Resolution 537 (VI)). Report of the Social Committee. E/2305, July 23, 1952. 12 pp. mimeo.

**Economic and Social Council. Thirteenth Session, 30 July to 21 September (Geneva) and 18 to 21 December 1951 (Paris). Disposition of Agenda Items.** E/INF/48, May 26, 1952. 161 pp. mimeo.

**Economic and Social Council, Thirteenth Session, 30 July to 21 September (Geneva) and 18 to 21 December 1951 (Paris). Disposition of Agenda Items. Index to Speeches.** E/INF/48/Add. 1, June 5, 1952. 88 pp. mimeo.

**Implementation of Recommendations on Economic and Social Matters.** Note by the Secretary-General. E/L. 403, July 8, 1952. 63 pp. mimeo.

## International Labor Organization

***Ad Hoc* Committee on Forced Labor, Second session.** Replies from Governments to the Questionnaire on Forced Labour. Reply received from the Federal People's Republic of Yugoslavia. E/AC.36/11/Add. 14, June 17, 1952. 8 pp. mimeo.

## Security Council

Letter from the Permanent Representative of the Union of Soviet Socialist Republics, President of the Security Council, Dated 30 June 1952. Annex I International Association of Democratic Lawyers, Secretariat: 70 Avenue Legrand, Brussels. Appeal to the Security Council adopted unanimously by the Council of the International Association of Democratic Lawyers, at its session held in Vienna from 16 to 18 April 1952. S/2684/Add. 1, June 30, 1952. 53 pp. mimeo.

## Admiral Kirk Appointed Director of Psychological Strategy Board

White House press release dated August 14

Admiral Alan G. Kirk, former U.S. Ambassador to the U.S.S.R. has been named Director of the Psychological Strategy Board, effective about September 15, 1952. He will succeed Raymond B. Allen, former president of the University of Washington, whose commitment to government service was for limited duration. Mr. Allen will continue to serve in the capacity of a senior consultant until it becomes necessary for him to assume his new duties as Chancellor of the University of California at Los Angeles.

The new executive of the Psychological Strategy Board served as Ambassador to Belgium prior to his Moscow assignment in 1949. He will resign the position he now holds as chairman of the American Committee for the Liberation of the Peoples of Russia. A privately financed committee of citizens with headquarters in New York City, this organization has worked to unify Russian and minority emigré groups in their opposition to the Soviet. Admiral Kirk has headed this Committee for the past 7 months.

The Psychological Strategy Board was created in mid-1951 to coordinate foreign information and psychological policies of the major departments and agencies of government concerned with foreign affairs.

The Board consists of three members, the Under Secretary of State, the Deputy Secretary of Defense, and the Director of Central Intelligence. Not only does it provide policy guidance but it likewise assists the Department of Defense in its psychological warfare against the enemy in North Korea. At the same time, it helps guide the extensive information program of the Mutual Security Administration abroad.

The Board confines its activity to broad policy guidance and planning.

Mr. Allen succeeded Gordon Gray, former Secretary of the Army, as head of the Board in January 1952.

## THE FOREIGN SERVICE

### Appointments

William W. Greulich and Richard T. Arnold as science advisers to the Office of the High Commissioner for Germany at Bonn.

Harald H. Nielsen as science attaché to the Embassy at Stockholm.

## President Rejects Tariff Commission's Recommendations on Garlic and Swiss Watches

*The President on July 21 and August 14 sent identical letters to Walter F. George, Chairman, Committee on Finance, United States Senate, and Robert L. Doughton, Chairman, Committee on Ways and Means, House of Representatives. Texts of the letters follow:*

### Letter of July 21 Relating to Garlic Imports

White House press release dated July 21

On June 6, 1952, the Tariff Commission recommended that I should limit imports of foreign garlic into the United States by establishing restrictive quotas, in order to protect our domestic garlic industry from serious injury. The Tariff Commission's recommendation, which was not unanimous, was made under Section 7, the so-called escape clause, of the Trade Agreements Extension Act of 1951. The recommendation of the Commission followed an investigation it was required to make on petition. Section 7 provides that in the event the action recommended by the Tariff Commission is not implemented by the President within sixty days, he shall submit a report to the House Committee on Ways and Means and to the Senate Committee on Finance, setting out the reasons for not doing so.

After a careful study of the Tariff Commission's report, I find myself unable to accept its recommendations. For I can find in the report nothing to justify the conclusion that the producers of garlic in the United States are suffering serious injury as a result of garlic imports.

The purpose of the Trade Agreements Act is to allow the President to enter into agreements with other countries to reduce trade barriers to the mutual advantage of the United States and the other countries concerned, and to make the necessary changes in United States duty rates to carry out such agreements. The so-called escape clause is a standard provision in these agreements, to be applied when and if it later becomes clear that a particular tariff is causing or threatening to cause serious injury to a domestic industry. Obviously, it should be invoked only when it can be shown that the conditions specified for its use

actually exist. The burden of proof rests with those who contend that its use is needed.

In this case, it seems to me that the burden of proof has not been sustained. The evidence is tenuous and unpersuasive. The claim that American producers of garlic have been seriously injured by imports is mere assertion. The view of the minority Commissioners that no serious injury has been sustained is far more persuasive than the contentions of the majority. If the standards employed by the majority were to be applied generally to American imports, I am confident that our trade agreements program would soon be impaired beyond all possible remedy, and gains of the negotiated tariffs completely nullified.

Approximately 90 percent of our domestic garlic is grown in California. About 90 percent of this California production is in three of the richest agricultural counties in the country. Only about 60 farmers in these counties grow garlic regularly, and four of these 60 farmers grow half of all the garlic produced in these counties.

Garlic farmers, for the most part, grow garlic as an incidental part of a much bigger vegetable and sugar beet business. For example, about 90 percent of the revenue of the four large garlic-producing farms has come from products other than garlic. Garlic is a convenient crop to plant in rotation with these other crops.

These farmers have been putting less acreage into garlic since the war, yet they have been getting a higher yield per acre than before the war. As a result, average garlic production in the five post-war years 1947 to 1951 has been only slightly lower than average garlic production from 1935 to 1939—158,000 sacks per year in the post-war years against 164,000 sacks per year in the pre-war period. Year by year, there has been a notable variation in the acreage planted to garlic. The price of garlic has been several times higher in the last few years than it was before the war, although not as high as the phenomenal peak prices which existed during and immediately after the war.

It is not known just how well or how badly farmers have fared in the sale of their garlic.

The report of the majority observes that growers have received from 8½ to 10 cents a pound in recent years, and states that at present levels of wages and with a normal yield per acre growers must receive 12 cents a pound in order for the business to be "remunerative". But the report does not say what the word "remunerative" means—whether it includes a margin of profit, and, if so, how large a margin.

Nor does the report have anything to say about the concept of "normal yield" to which it refers. The figures show that yields since the war have been much higher than pre-war. Does this mean that these yields have been "abnormal", and that the garlic business has been remunerative, after all? The report does not say.

What the report does indicate clearly is that farmers who were dissatisfied with their financial return from garlic had ample opportunity to increase their production of other crops. The report also indicates that these other crops enjoyed good markets. Thus, I cannot understand how these farmers can be suffering "serious injury" from imports. Therefore, I cannot accept the proposal that the United States should limit the quantities of foreign garlic which can be imported into this country each year.

Foreign garlic which enters the United States is now subject to a duty of ¾ of a cent per pound. This rate was 1½ cents a pound under the Hawley-Smoot Tariff Act of 1930, but under the reciprocal trade agreements program, the United States agreed to reduce the rate on garlic and other products as part of a larger bargain in which other countries also reduced rates on various products which American producers were interested in selling to them.

A quantity of garlic is imported from Mexico, and smaller amounts from Chile and Argentina. Since most of this garlic is marketed during the first half of the year, before our own producers have harvested their crops, these imports apparently are not of particular concern to our domestic growers. Moreover, the Mexican imports are of lower quality and do not command as high a price as our domestic garlic.

The competition which does concern our domestic producers comes from Italy. High quality Italian garlic has been entering our East Coast ports and Puerto Rico in increasing volume since the end of the war. Because of transportation costs, little of this garlic moves very far inland; for example, no Italian garlic was sold in Chicago during the year 1951. Furthermore, the markets in which Italian garlic has been selling are markets in which demand has been expanding. The new garlic-dehydrating industry, which has developed rapidly in California and which now absorbs over a third of our domestic production, prefers the fresh domestic product to the dried imported variety. As a result, our domestic garlic growers face virtually no competition in marketing that

portion of their crop. Nevertheless, it is true that in the East Coast and Puerto Rico markets the domestic producers are meeting increasing competition.

The Trade Agreements Act provides no guarantee to American producers against increased competition from imports. All that the escape clause provides for is protection against "serious injury". There is no evidence in this case that these increased imports are causing serious injury to American producers of garlic and that resort to an escape clause action would be justified.

On the contrary, there are many reasons for welcoming the increase in imports of Italian garlic. The United States has a stake in the strength and prosperity of Italy. We have recognized that fact in the aid we have given to Italy under the European Recovery Program and under the Mutual Security Act.

Italy has done a good job with that aid. Her production has increased. The strength of her Communist Party has declined. But Italy still needs to find ways of earning more dollars, and she is trying earnestly, and with some success, to earn them. Every obstacle the United States puts in her way in these efforts is a step harmful to our mutual security and costly in the end to the consumer and American taxpayer.

Yet, lately our laws have forced us to put a good many obstacles of this sort in Italy's way. We recently raised our tariff on hats and hatters furs, which the Italians sold us in considerable quantity. We recently put a large import fee on foreign almonds, most of which come from Italy. Our cheese amendment to the Defense Production Act, which restricts imports of foreign cheeses, has been hurting Italy more than any other single country, and Italy sees more trouble ahead in some of the escape clause applications which the Tariff Commission is now studying. All this seems to run contrary to a sensible policy toward Italian imports.

As pointed out earlier, the Tariff Commission proceedings on garlic imports have taken place pursuant to the escape clause provisions of Section 7 of the Trade Agreements Extension Act of 1951. While the idea of an escape clause in the trade agreements program is not new, it was not written into the law until the Trade Agreements Extension Act of 1951 was enacted. When I signed that Act, I was disturbed by the protectionist overtones of this provision and a number of other provisions which it contained. I said this at the time I signed the Act.

Those misgivings now seem to have been justified. It is my understanding that the Tariff Commission has been flooded with escape clause applications—applications on blue-mold cheese, motorcycles, glacéed cherries, clothespins, and a host of other products. Each one of these, of course, will be for determination on its merits—with the principles and objectives of the Trade

Agreements Act as the fundamental guide. In this connection, however, it must be borne in mind that the Trade Agreements Act is for the *promotion* of foreign trade, not for its contraction. It was enacted by the Congress "for the purpose of expanding foreign markets for the products of the United States . . . by affording corresponding market opportunities for foreign products in the United States . . ." Escape clauses, peril points, and the like, must be realistically administered in the light of this general objective, despite protectionist pressures that may be brought to bear against the Commission.

This is all the more important in view of the international crisis we face today. Normal economic life in the form of the exchange of goods, is an essential requirement of friendly international relations. If we are restrictive in our trade with other countries, they must find other areas with which to trade. Cooperation in the economic field is fundamental to other forms of cooperation.

Just as important is the fact that a way must be found for these countries to carry their share of defense costs without continued reliance on our aid. It is to their own benefit—and to the benefit of the American taxpayer—that we find ways and continue to improve them, as quickly as possible, to the end that substantial foreign imports may become a substitute for direct foreign aid. In the total economy of the United States and, it seems to me, in the economy of the several domestic producers, garlic plays a minor part; to restrict imports of garlic under the circumstances portrayed in this report would violate the spirit as well as the intent of our trade agreements program.

Very sincerely yours,

HARRY S. TRUMAN

#### Letter of August 14 Relating to Swiss Watches

White House press release dated August 14

The Tariff Commission has sent me its report and recommendations on an investigation conducted by the Commission concerning the tariff on watches, watch movements, watch parts and watch cases. The Commission conducted this investigation under section 7 of the Trade Agreements Extension Act of 1951, the so-called "escape clause", which provides that restrictions on imports may be imposed, in certain circumstances, when the imports are causing or threatening serious injury to a domestic industry. Under the provisions of that Act, I may accept or reject the recommendations of the Tariff Commission. If I do not accept its recommendations, the law provides that I shall report to your Committee the reasons for my action.

A majority of the Commission concluded that American producers of watch movements are

threatened with serious injury as a result of increased imports and recommended that the tariff on such imports be raised. I have examined the evidence which they developed in support of their position, and I am unable to agree with their conclusion. Rather, I am of the opinion that the weight of evidence does not support the claim that our domestic watch industry has been seriously injured, or that there is a threat of serious injury.

The consequences of imposing the proposed increase in the tariff on watches would be so serious that such action should not be taken in the absence of a clearly demonstrated need. Consequently, I have concluded that I should not put into effect the adjustments recommended by the majority of the Commission.

In 1936, Switzerland and the United States entered into a reciprocal trade agreement under which each country agreed to reduce its tariffs on a range of products which the other was interested in exporting. Switzerland reduced her tariffs on such products as lard, prunes, and office machines, products which American producers sell in significant quantities to the Swiss. On our part, the most important concession we made was to reduce our duties on various kinds of watch movements. Despite the reduction, our rates of duty on watch movements have still been substantial. Based on 1950 imports, for example, they were equivalent to an ad valorem rate of approximately 37 percent.

Under the rates established by the 1936 agreement, there has been a large increase in the number of watch movements imported from Switzerland. This increase in imports is the main ground on which domestic watch industry based its claims before the Tariff Commission that it is suffering or is threatened with serious injury.

The Tariff Commission reported its findings to me in a letter of June 14, 1952. Three Commissioners found that the domestic industry is suffering serious injury. The other three Commissioners found that the industry has suffered no such injury. There is therefore no majority finding on the question of whether the industry is now suffering serious injury. As to whether a threat of serious injury exists, two Commissioners found that there is no such threat, while the four others found that such a threat does exist. To avoid this threat of serious injury, the latter recommend that certain rates of duty affecting the most significant items among our watch imports be increased by 50 percent but in no case exceeding the level of the 1930 rates.

The Tariff Commission's report on the case is a full report, and it provides an accurate basis for judging the present state of the watch industry. The data show that consumption of watches in the United States has nearly quadrupled in the 16 years during which the concessions have been in effect. In that time, a mass demand for watches has been developed, both for relatively inexpensive watches and for high-quality, expensively-cased

watches. Men have switched from pocket watches to wrist watches; women buy smaller watches than formerly; and both men and women have shown increasing preference for watches of high jewel count.

With the greatly increased consumption of watches has gone a radical change in the methods of merchandising. Department-store, mail-order and drugstore sales of watches are now far more important. Mark-ups are smaller.

The initiative of the American importers of Swiss watch movements has had a great deal to do with these trends, and the importers have obtained the largest share in the increased consumption. But the stronger demand for watches has benefited domestic producers also. Their production of jeweled watches had nearly doubled in 1951 as compared with annual average for the period 1936-40. The output of the pin-lever industry has been maintained by larger wrist watch and clock production in spite of declining production of pocket watches. Domestic watchmakers have been employing more workers than before, and over 90 percent of them work in the manufacture of watches and clocks. Wages in the industry compare favorably with wages in all manufacturing industries. In the period 1946-50, profits of jeweled-watch manufacturers before taxes averaged around 12 percent of their net worth and profits of pin-lever watch manufacturers averaged from 10 to 12 percent of their net worth.

One may well ask how, in this situation, three Commissioners found serious injury. The answer seems to lie almost entirely in the significance which they attached to the fact that the expansion of domestic jeweled watch production has not kept pace with expansion of imports, so that the industry today enjoys a smaller share of the larger market. Because of the dangerous precedent which would be involved in accepting this share doctrine as the determinant of serious injury, I should like to emphasize its far-reaching implications. Serious injury, by any definition, means a loss to someone. Declining production, lower employment, lower wages, lower returns or losses in capital invested—any of those things might indicate some degree of injury. But the share doctrine goes much further. In fact, it finds that serious injury exists when the domestic industry fails to gain something it never had, even though the industry may be prospering by all of the customary standards of levels of production, profits, wages and employment. This is the doctrine on which the claim of injury by three Commissioners appears to be based.

Another development in the watch industry on which the three Commissioners' finding was based is the shift from production of watches with 17 jewels or less to production of watches with more than 17 jewels. To some of the Commissioners, this shift is an evidence of injury, even though the

industry profited from its shift to greater production of the more expensive watches containing 17 jewels or more. It is difficult to see how any serious injury is evidenced by a shift from the production of one product to the production of another which can be produced with equal or greater profit by the same labor and equipment. Here, the shift is not even from one kind of product to another kind, but from 7 or 15 jewel watches to 17 or 21 jewel watches. The same man sitting at the same bench and using the same tools can make both. Such a shift, if it is a shift, is no evidence of serious injury to anyone. The escape clause was not intended to give domestic industry freedom to ignore the changing pattern of domestic demand or to provide an escape from normal, healthy competition.

In this connection, I would like to emphasize that the fundamental purpose of the trade-agreements program is to expand exports and imports. Under present world conditions, the limiting factor on the expansion of United States exports is a general lack of dollars in the hands of the people who are anxious to buy United States goods. Expansion of our imports is therefore an objective of high priority and the Trade Agreements Act is an important means to that end. In order to provide against unfair burdens on any particular segment of the economy, provision has been made for safeguarding domestic industry against serious injury as a result of trade-agreement concessions. However, the primary purpose of the program remains the expansion of foreign trade in the national interest. It was never intended that the program be limited by a requirement that domestic production must double whenever imports double.

Various arguments have been adduced in support of the view that the domestic watch making industry is threatened with serious injury even though such injury has not yet been sustained. It appears to me that such a threat has not been shown with anything like the degree of certainty that would justify invoking the escape clause.

To be sure, the record of domestic watch producers has not been without its ups and downs in this post-war period. When the fighting broke out in Korea, the watch trade stocked up heavily. Remembering the scarcities of World War II they built up inventories of watches and watch movements. This provided a temporary bonanza for the watch industry but it has been followed by the inevitable reaction. There have been a good many promotion sales aimed at working off existing inventories. This kind of development is typical of business in products such as watches. Very much the same thing happened in items such as radios and television sets, kitchen equipment, and so forth. It did not seem to two of the Commissioners and it does not seem to me that this temporary adjustment affords any occasion for great alarm on our part.



One aspect of the watch situation which the Tariff Commission report points out is that defense contracts are supplying some business which may not be available in the future. There appears, however, to be no reason for special concern on this account in the watch industry. The situation is one which faces the whole of the American economy in some degree. Moreover, as far as watch manufacturers are concerned, their defense work has not required much shift out of watches into other products. In 1951, production of items other than watches and clocks accounted for less than 6 percent of employment in the jeweled watch industry and for less than 9 percent in the pin-lever watch industry.

All of these considerations support the conclusion of the minority of the Tariff Commission that no serious injury or threat thereof has been shown. This, in itself, would be a sufficient basis for rejecting the recommendation for increased tariff protection. As a matter of fact, however, there are additional cogent reasons of an international character which also argue against acceptance of the recommendation.

The escape clauses were included in our international tariff agreements largely because these clauses were desired by the United States. At the time, considerable skepticism was expressed regarding the use we might make of the clause. Apprehension abroad concerning the course of United States trade policy has been heightened within the past year or so by various events. We adopted and extended the amendment to the Defense Production Act requiring restrictions on the importation of cheese, and we have used Section 22 of the Agricultural Adjustment Act to impose quotas on almonds. There has been agitation for countervailing duties and for new tariffs. These events do not mean we must never use the escape clause again. They do mean, however, that if we wish to avoid a serious loss of confidence in our leadership, any new restrictive action on our part must be clearly justified.

The impact which the tariff increase now proposed would have on Swiss-American relations would be extremely serious. United States imports from Switzerland in 1951 totalled only \$131 million of which over 50 percent were watches. Thus, tariff action on watches would strike at Switzerland's most important export to us, affecting adversely an industry tailored in large part to the United States market and employing one out of every ten industrial workers in the country. In addition, the industry is concentrated in a part of Switzerland where there is relatively little other industry and the possibilities for transfer of employment small.

During 1951, Swiss imports from the United States totalled over \$216 million and were comprised of a long and varied list of commodities such as wheat, cotton, tobacco, automobiles, machinery, office appliances, and pharmaceuticals.

United States exports to Switzerland are therefore almost double our imports from Switzerland and the Swiss market is one of the very few that remains free of restrictions against dollar imports. If, in these circumstances, we should erect new barriers against the importation of Swiss watches, we would at the same time be erecting barriers against our own export markets. More than that, we would be striking a heavy blow at our whole effort to increase international trade and permit friendly nations to earn their own dollars and pay their own way in the world.

In reaching my decision on this matter, I have been mindful of the importance of maintaining a domestic watch industry adequate to meet our defense needs. For the reasons I have indicated, I believe we can expect a healthy, vigorous watch industry to be maintained in this country—an industry that will be adequate for defense needs. And, if special measures should be necessary to preserve the watch industry for defense purposes, it is by no means certain that an increase in import duties constitutes an effective approach to that objective.

For all these reasons, I have concluded that I shall not adopt the recommendations of the majority of the Tariff Commission.

Sincerely yours,

HARRY S. TRUMAN

### Check List of Department of State Press Releases: Aug. 11-15, 1952

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington, 25, D. C.

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*633	8/11	Exchange of persons
634	8/12	Acheson: ANZUS Council meeting
635	8/12	Acheson: U.S. note on Austrian treaty
636	8/12	Acheson: John Hvasta case
637	8/12	Russell: Foreign policy problems
638	8/12	Text of latest U.S. note on Austria
*639	8/13	Escapes from Iron Curtain
*640	8/14	Trujillo inauguration
641	8/15	Copyright convention (UNESCO)
642	8/15	Anthropological, ethnological cong.
*643	8/15	Exchange of persons
*644	8/15	Newsmen selected for awards
645	8/15	Austrian treaty rejected by Soviets

† Held for a later issue of the BULLETIN.

\* Not printed.

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*The Department of State*

# bulletin

Vol. XXVII, No. 688  
September 1, 1952



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*The Department of State* bulletin

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SEP 19 1952

**The Soviet Harassment Campaign in Germany****CORRESPONDENCE BETWEEN ALLIED AND SOVIET REPRESENTATIVES**

*The following documents relate to the campaign of harassment which Soviet authorities and the Communist regime in the Soviet area of occupation of Germany have been conducting in recent months. They concern incidents which occurred during the period from April 29, when Soviet fighter planes attacked a French civil aircraft, to July 8, when Dr. Walter Linse was kidnapped from the American Sector of Berlin. (Only the first protest made by American authorities in the Linse case is printed here.)*

**General Coleman to General Chuikov, April 29**

A French aircraft flying between Frankfurt and Berlin was attacked this morning, 29th April, by two Soviet fighters in the southern air corridor immediately above the city of Könnern at an altitude of 7,000 feet.

The Soviet fighters fired three times on the French aircraft with both cannon and machine guns. The aircraft carries several shell holes and the marks of numerous machine gun bullets. Two passengers were severely injured. The material damage is considerable, and it was only with the greatest difficulty that the aircraft made its way to Berlin.

EDITOR'S NOTE. The salutation and complimentary close have been omitted from the letters and the date has been incorporated in the heading. Following is a list of the persons principally concerned:

Brig. Gen. Pierre L. Carolet, French Commandant in Berlin  
 General of the Army Vassily I. Chuikov, Commander-in-Chief of Soviet Occupation Forces; Chairman of the Soviet Control Commission for Germany  
 Maj. Gen. C. F. C. Coleman, British Commandant in Berlin; Chairman of Allied Kommandatura for April 1952  
 S. T. S. Dengin, Berlin representative of the Soviet Control Commission in Germany  
 Sir Ivone Kirkpatrick, British High Commissioner for Germany  
 André François-Poncet, French High Commissioner for Germany

In the name of their respective High Commissioners and in their own, the British, United States and French Commandants in Berlin protest energetically against this unwarrantable attack by Soviet fighters on a French aircraft. This attack was all the more outrageous since the aircraft was, in conformity with quadripartite agreements in force, flying within the air corridor.

The three High Commissioners and the British, United States and French Commandants in Berlin, request that an investigation be undertaken immediately by the Soviet authorities, that those responsible for this most serious incident be punished, and that due reparation be made for material damage to persons and property.

**General Trusov to Colonel Meyer, April 29**

I have been informed that on the 29th April an aircraft of the type B.54 left the air corridor north of the city of Gotha and reached the city of Merseburg, situated 35 Km. south-east of the line of the air corridor.

Having detected the aircraft, the Soviet fighters took off at 1032 hours and intercepted it at an altitude of 2,500 m. The aircraft did not reply to

Maj. Gen. Thomas T. Handy, Commander of U.S. troops in Germany; now U.S. Commander-in-Chief, Europe  
 John J. McCloy, U.S. High Commissioner for Germany until his resignation July 31

Maj. Gen. Lemuel Mathewson, U.S. Commandant in Berlin  
 Colonel Meyer, Deputy Chief of Staff of the French Occupation Forces

Samuel Reber, Director of Political Affairs, Hrcog; Acting High Commissioner during Mr. McCloy's absence from Bonn

Maj. Gen. Nikolai Mikhailovich Trusov (sometimes transliterated Trussov, Trousov), Assistant Chief of Staff, Soviet occupation troops

Sources of the documents include telegrams from Berlin and Bonn, press releases issued by the Office of the U.S. High Commissioner for Germany and by the Berlin Element of Hrcog, and minutes of Allied Kommandatura meetings. Translations of Soviet documents are unofficial.

### **"An Indication of the Threat Technique"**

Now, I have spoken about the weight of the Communist propaganda, and it moves, of course, in every form. It is a blandishment at one time, and it is a threat the next.

The recent harassments in Berlin are an indication of the threat technique. Recently the propaganda that is flooding the west, West Germany, is mainly directed against the United States, and the vituperative character, the vilifying nature of it really is astounding. It seems to be more and more directed toward us.

It reached its highest form just before the signature of these conventions, and I suppose it will be intensified and continue to be intensified up until the ratification.

—John J. McCloy, U.S. High Commissioner for Germany, testifying before the Senate Foreign Relations Committee on the German Contractual Agreements.

the signals ordering it to land but continued deeper into D. D. R. [*Deutsche Demokratische Republik*] territory in the direction of the city of Leipzig.

In order to force it to land, one of the Soviet pilots gave a warning burst toward the front of the aircraft. After that the aircraft went into cloud and disappeared. Later observation revealed that it had landed at 1102 hours on Tempelhof airfield. It was later possible to ascertain that this aircraft belonged to a French air company.

I protest against the brutal violation of the air traffic rules above the territory of the D.D.R. and I insist that measures be taken to prevent such happenings occurring again in the future.

### **General Coleman to General Chuikov, April 30**

The attention of the three High Commissioners and of the British, United States and French Commandants in Berlin has been drawn to a letter which your Assistant Chief-of-Staff addressed on 29th April to the French Assistant Chief-of-Staff, in an apparent effort to justify yesterday morning's outrageous attack on a French aircraft.

All the evidence confirms that the facts of the incident are as stated in the letter which was addressed to you yesterday; that the aircraft was repeatedly fired on by Soviet fighters and severely damaged; and that it is not the case that the aircraft was outside the air corridor when it was attacked. Quite apart from these questions of fact, to fire in any circumstances, even by way of warning, on an unarmed aircraft in time of peace, wherever that aircraft may be, is entirely inadmissible and contrary to all standards of civilized behavior.

In the name of their respective High Commissioners, and in their own, the British, United States and French Commandants in Berlin must therefore reiterate their vehement protest against

this unwarrantable and brutal attack. They must also reiterate their request for an immediate investigation, for the punishment of those responsible and for due reparation for the damage caused.

The three High Commissioners and the British, United States and French Commandants in Berlin await an early communication from you.

### **General Mathewson to General Chuikov, May 8**

The three High Commissioners and the United States, French and British Commandants in Berlin have decided to ask the United States, French and British representatives on the Air Safety Center<sup>1</sup> to determine the material damage caused by Soviet aircraft to the French aircraft, (DC-4, F.B.E.L.I.) on the 29th of April.

It would be appreciated if you would give the necessary instructions to the Soviet representative to take part in this inquiry with his American, French and British colleagues.

In order that the aircraft may be repaired and return to France as soon as possible, the inquiry will take place on Friday, the 9th of May, at 3:00 p.m. at Tempelhof airfield where the aircraft in question is located.

### **General Mathewson to Mr. Dengin, May 9**

At approximately 5:30 p.m. on May 8, 1952, two United States military vehicles containing United States military personnel were refused permission by the Soviet authorities at Babelsberg to proceed along the autobahn to Helmstedt. At approximately 9:30 a.m. on May 9, 1952, a British military vehicle containing British military personnel was also refused clearance by the Soviet authorities at Babelsberg. The latter have continued despite repeated requests to refuse clearance to the British and United States military vehicles in question. The members of the United States and British forces concerned were documented in accordance with the procedure established in the early days of the Allied occupation of Germany and accepted by all concerned ever since.

The three High Commissioners and the United States, French and British Commandants in Berlin protest strongly against this unwarranted action of the Soviet authorities in refusing to permit the passage of the members of the Allied occupation forces between Berlin and the Western zones of occupation. This restriction on communications between Berlin and the zones constitutes a violation of the quadripartite agreements of May 4, 1949<sup>2</sup> and June 20, 1949<sup>3</sup> concerning the freedom of communications with Berlin.

<sup>1</sup> A quadripartite organization functioning in Berlin and responsible, chiefly, for settling the problems of air traffic between Berlin and the Western zones.

<sup>2</sup> BULLETIN of May 15, 1949, p. 631.

<sup>3</sup> *Ibid.*, July 4, 1949, p. 857.

The three High Commissioners and the United States, French and British Commandants in Berlin demand that immediate steps be taken to remove this restriction and to restore the right of free passage for all Allied military vehicles and personnel between Berlin and the Western zones of occupation.

#### **General Mathewson to General Chuikov, May 14**

As indicated in the letter dated May 8th which I addressed to you on behalf of the three High Commissioners and the United States, French, and British Commandants, United States, French, and British representatives were instructed to determine the material damage caused by Soviet fighters to the French aircraft (DC-4, F.B.E.L.I.) on April 29th. You were invited to appoint a Soviet representative to take part in an inquiry on the 9th of May. Since a Soviet representative failed to appear at the appointed time, the three other representatives had no choice but to proceed with the inquiry.

In the meanwhile no reply has been received from you to the three letters addressed to you on April 29th, April 30th, and May 8th; and no explanation has been offered of this unwarrantable attack on a French aircraft. The three High Commissioners and the United States, French, and British Commandants can only regard your silence as an implicit acknowledgment of the full responsibility of the Soviet authorities for this outrageous incident. They assume therefore that the Soviet Government will be prepared to meet the claims for material damage caused to persons and property which will be forwarded in due course.

#### **General Handy to General Chuikov, May 29**

On May 14, 1952, your Deputy Chief of Staff, General Trusov, forwarded a letter<sup>4</sup> to General Williams of my staff alleging that United States Military authorities carried out illegal attempts to organize armed patrol of the Berlin-Marienborn autobahn. This letter was an obvious attempt to justify repeated acts, shortly before that date, by members of the Soviet forces, of unwarranted interference with U.S. Army vehicles in their performance of routine functions on the Berlin-Marienborn autobahn.

You are well aware that the U.S. Army military police are strictly military, are an integral part of the U.S. Army, and are not under the control of any outside agency. Further, you know that these orthodox military police vehicles have been performing their regularly assigned and routine functions along this highway for the past several years, and that during this period no important alterations have been made in either their mission or their basic items of equipment and armament.

<sup>4</sup> Not printed.

In view of your knowledge of these facts, I concluded that these repeated acts of interference were malicious as well as completely without justification. When the interference ceased, however, I assumed that you had reconsidered and ordered these indefensible actions stopped. Accordingly, I did not consider it necessary to address you officially.

Now, the same type of interference has been resumed. This action confirms and reinforces my original conclusions and indicates in addition an ill-considered disregard for necessary internal operations of occupation forces. Such interference with my forces in the execution of their instructions cannot be condoned. I insist, therefore, that you initiate without delay whatever action is necessary to insure that members of your command cease to interfere with the normal, routine military operations of my forces.

#### **General Mathewson to Mr. Dengin, June 4**

On 4 June 1952 at 0930 hours, U.S. Military Police in an Army vehicle, while engaged in routine official patrol duty on Machnower Strasse where it crosses the U.S. sector/Soviet zone boundary, were fired upon by one of the Volkspolizei on duty at the checkpoint without warning or provocation whatsoever. The bullet penetrated the vehicle, wounded the driver in the leg, and passed into the motor, which it damaged considerably.

I protest in the strongest terms this latest example of barbaric and undisciplined violence by the police under Soviet control. I have had similar occasion in the past to remind you that the Volkspolizei have no jurisdiction over members of the U.S. Occupation Forces, and I renew that reminder now. Also on more than one occasion in the past I have denounced the use by East zone officials of naked and extreme force entirely disproportionate, from any civilized viewpoint, to the alleged misdemeanor it was intended to correct, and I renew that denunciation.

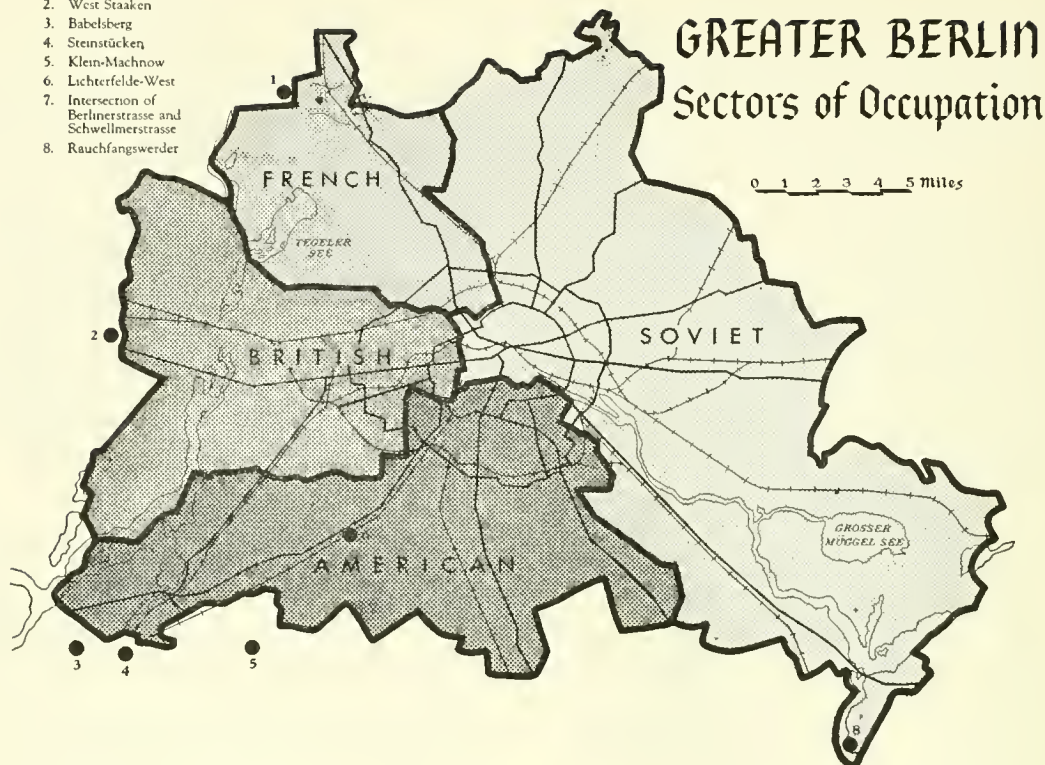
I expect immediate assurances from you that the guilty policeman has been severely punished, and that such deplorable incidents will not occur in the future.

#### **Generals Carolet, Coleman, and Mathewson to Mr. Dengin, June 6**

It was reported in the press of 5 June that the areas of West Staaken and Rauchfangswerder have been incorporated in the Soviet zone of occupation and that access to them requires the same documentation as access to other parts of the Soviet zone.

As you are aware, the district of West Staaken formed part of the British sector of Berlin under the European Advisory Commission Protocol. It was handed over to the administration of the

1. Neuer Gutshof-Frohnau
2. West Staaken
3. Babelsberg
4. Steinstücken
5. Klein-Machnow
6. Lichterfelde-West
7. Intersection of Berlinerstrasse and Schwellmerstrasse
8. Rauchfangswerder



Soviet authorities in Berlin under an agreement which was ratified by the Allied Kommandatura on 27 September 1945. As from 1 February 1951 it came under the effective administration of Bezirk Mitte.

Rauchfangswerder, part of Bezirk Kopenick, formed part of the Soviet sector under the European Advisory Commission Protocol.

It is hoped that the reports in the press do not reflect action taken or intended by the Soviet authorities, although the facts suggest that they are not devoid of truth at least as regards West Staaken. Such action would be a breach of the intergovernmental agreements on the occupation of Berlin, which cannot be modified by the Soviet authorities acting alone.

#### General Chuikov to Mr. Reber, June 9

In connection with your letter of May 29, 1952<sup>5</sup> regarding the question of patrolling the autobahn Berlin-Marienborn I must state as follows:

The Soviet occupation authorities in Germany have frequently called attention of the American authorities to the inadmissible violations of the established regulations of the movement of the American troops along the communication lines, which are under the control of the Soviet authorities, between Berlin and Western Germany.

However, claiming these violations are continuing [*sic*]. Specifically several attempts have been made by the American and British authorities to establish army patrolling on the Berlin-Marienborn autobahn. Despite warning made to the representatives of the American and British troops on the spot and also despite a protest by Major-General Trusov which was addressed on May 13, 1952<sup>6</sup> to the deputy chiefs of staff of the American and British occupation forces, no measure to terminate these attempts to patrol have been taken by the command of these forces.

These actions are contrary to the agreement reached at the conference at the headquarters of the Soviet occupation forces on June 29, 1945 which was attended from the American side by General Clay and from the British side by General Week. You must be aware of the fact that it was decided at the conference that security measures, commandants service (military police functions), and regulations on the Berlin-Marienborn autobahn would be provided by the Soviet troops. No military patrolling by the western occupation powers on the autobahn was contemplated.

In connection with the above I decline your groundless protest and insist that you take measures to discontinue immediately all attempts of armed patrolling of the Berlin-Marienborn autobahn.

I must state that the Soviet military authorities

<sup>5</sup> BULLETIN of June 9, 1952, p. 902. (The letter as printed is erroneously dated May 30.)

<sup>6</sup> Not printed.



will also in the future take all measures stemming from the responsibilities of the Soviet forces to provide security commandants services (military police functions) and regulations for the autobahn.

**Mr. Dengin to General Mathewson, June 11**

I hereby acknowledge receipt of your letter of 4 June 1952.

As a result of a thorough investigation made by me, the following has been established:

On 4 June 1952, about 9 o'clock in the morning, an American automobile, driving at high speed, disregarded signposts at the outer boundaries of Berlin and, although not in possession of necessary authorization, penetrated into territory of the German Democratic Republic in the area of Klein-Machnow.

In reply to a request to stop, military personnel who occupied the car pointed their weapons at a member of the People's Police and threatened him. The policeman was forced to fire warning shots in the air, after which the car mentioned above disappeared in the direction of the U. S. sector.

In my letter of 12 January 1952, I have already drawn your attention to violations by U.S. military personnel of the order established at the outer border of Berlin. Up to now, no answer to the above mentioned letter has been received. The above-mentioned incident testifies to the fact that no appropriate measures have been taken on the part of U.S. authorities to put an end to those violations.

In view of the above, I am forced to express my regret concerning the acts of U.S. military personnel that took place on 4 June 1952 and request you again to take measures in order to avoid such acts in future.

**Generals Carolet, Coleman, and Mathewson to Mr. Dengin, June 12**

We have the honor to register a formal protest against the occupation by units of the Soviet army and the Volkspolizei of the Eastern zone of the Neuer Gutshof-Frohnau farm property, and against the expulsion by force of its inhabitants.

Whatever the status of this territory is under German law and administrative right, it is indisputable that an inter-Allied agreement was concluded regarding this matter.

Indeed, at the time of the delimitation of the occupation sectors, settled by common agreement in 1945, the Soviet authorities themselves included this territory within the limits of the sector allocated to the British authorities in the first instance and then to the French authorities.

Until now the inhabitants have always carried

Berlin identity cards and have always paid their taxes to the Reinickendorf Bezirk.

We consider that this agreement between occupation authorities has exactly the same weight as any other similar provision pursuant to which the Soviet authorities or one of the other three Allies, were granted a right over some territory belonging to another.

Whatever the circumstances, it is disgraceful that the owner, whilst he was cultivating the ground which was his under these arrangements, should have been despoiled of his cattle and his equipment purchased in West Berlin and brought by him from the French sector.

We have the honor to request you to take the necessary steps in order to ensure that the agricultural equipment and the cattle which were taken away be restored forthwith to their owner and that the convention in force since 1945 be applied again.

**General Chuikov to Mr. Reber, June 19**

In your letter of 29 May 1952 you go so far as to assert that the measures recently undertaken by the government of the German Democratic Republic, in the defense of the interests of the population of that republic, do not allegedly serve the attainment of German unity and are in violation of the quadripartite agreement among the occupation authorities.

It is well known, however, that it was the occupation authorities of the Western Powers and the Adenauer Bonn government, dependent upon them, who had turned down the offer of the German Democratic Republic Peoples Chamber, of 15 September 1951, concerning the holding of all-German elections to a National Assembly for the purpose of establishing a unified peace-loving, democratic Germany as well as to expedite the conclusion of a peace treaty with Germany.<sup>7</sup>

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<sup>7</sup> It is also well known that a resolution was adopted by the United Nations on December 20, 1951, resulting in the appointment of an impartial commission composed of representatives of Brazil, Iceland, the Netherlands, Pakistan, and Poland (who declined to designate a representative), whose purpose was "to carry out a simultaneous investigation in the Federal Republic of Germany, in Berlin, and in the Soviet zone of Germany in order to determine whether existing conditions will make it possible to hold genuinely free elections throughout these areas." On three separate occasions, communications have been addressed by the Commission to Western Allied and German authorities in West Germany and Berlin and to Soviet and East German authorities. The former officials expressed complete cooperation in facilitating the Commission's task, while the Soviet and East German officials have made no response to any of the communications transmitted to them. On August 5, 1952, the Commission announced its intention to submit a final report to the Secretary-General of the U.N. and then adjourn *sine die*. (For text of this final report, see BULLETIN of Aug. 25, p. 298; see also *ibid.*, Apr. 14, 1952, p. 563, for a comprehensive article on the subject of German unity by Henry B. Cox.)

Similarly, offers made by the Soviet government concerning a peace treaty with Germany and the establishment of an all-German government, widely acclaimed and supported by the German people, met with no positive reaction on the part of the three powers. On the contrary, acting in violation of four-power agreements on Germany, the U.S.A., Great Britain and France have agreed to sign, with the revenge-seeking Adenauer government, a separate treaty which enslaves Western Germany, draws it into the aggressive North Atlantic block, which is preparing a new war and constitutes an obstacle on the road to German unity and a peaceful solution of the German question.

It is quite obvious that the attempt, made in your letter, to shift the responsibility for the situation created in Germany, from the shoulders of the Western Powers, is utterly without foundation.

As regards the remarks, contained in your letter, concerning the closing of certain checkpoints along the demarcation line between the German Democratic Republic and Western Germany, they, too, are devoid of any serious foundation.

As already stated to the U.S. authorities, the functioning of the road checkpoints at Vacha, Ahrenshausen and Oebisfelde has been terminated owing to the inconsiderable amount of automobile traffic. These checkpoints had been handling an average of 10 to 15 cars per month each, thus failing to justify the continued retention of servicing personnel at those checkpoints.

The railroad traffic, formerly passing through the Herrenberg checkpoint, has been transferred to the Schwanheide checkpoint. Operations at the Bergen and Ellrich road checkpoints were discontinued as the approach roads are undergoing repairs.

Changes in the checkpoint service along the railroads and highways do not in any way affect the volume of shipments between West Berlin and West Germany, which of late has even increased.

The assertion made in your letter that the measures being carried out by the government of the German Democratic Republic, to strengthen the security along the demarcation line between East and West Germany, are opposed to the interests of the German population, is entirely without foundation. As you are aware, these measures have been called forth as a result of the terrorist diversionist, spying and other subversive activities on the part of foreign intelligence agents, who are being sent into the German Democratic Republic from Western Germany and West Berlin.

Legal proceedings recently carried out against terrorist and diversionist bands, in Berlin and Dresden, and the reports from government agencies of the German Democratic Republic about similar criminal bands, uncovered by state security agencies, have shown that in Western Ger-

many there has been set up a widespread network of criminal organizations, whose aim it is to carry out acts of terror, diversion, sabotage and other forms of subversive work against the German Democratic Republic.

A special role, in this connection, has been assigned to West Berlin, which has been turned into a hotbed of spying, diversion and provocation directed against the German Democratic Republic and carried out under the guidance of the intelligence agencies of U.S.A., Great Britain and France. Legal proceedings have shown that, in carrying out their criminal activities, western diversionist and spy centers have been making full use of the lack of adequate security measures on the part of the German Democratic Republic, along the demarcation line between East and West Germany, as well as in Berlin.

I deem it necessary, at the same time, to remind you that the Western zones of Germany had, as far back as the summer of 1951, carried out a series of measures along the demarcation line with a view to isolating those zones from Eastern Germany, and creating a system which normally exists only along the borders of different countries. It is sufficient to point out that as a result of the Bonn law on border security of 16 March 1951, Western Germany had established along the demarcation line a 30 kilometer deep border area, in which there are concentrated numerous British and American military units, as well as units of West German border police, who are implementing strict control measures in that region.

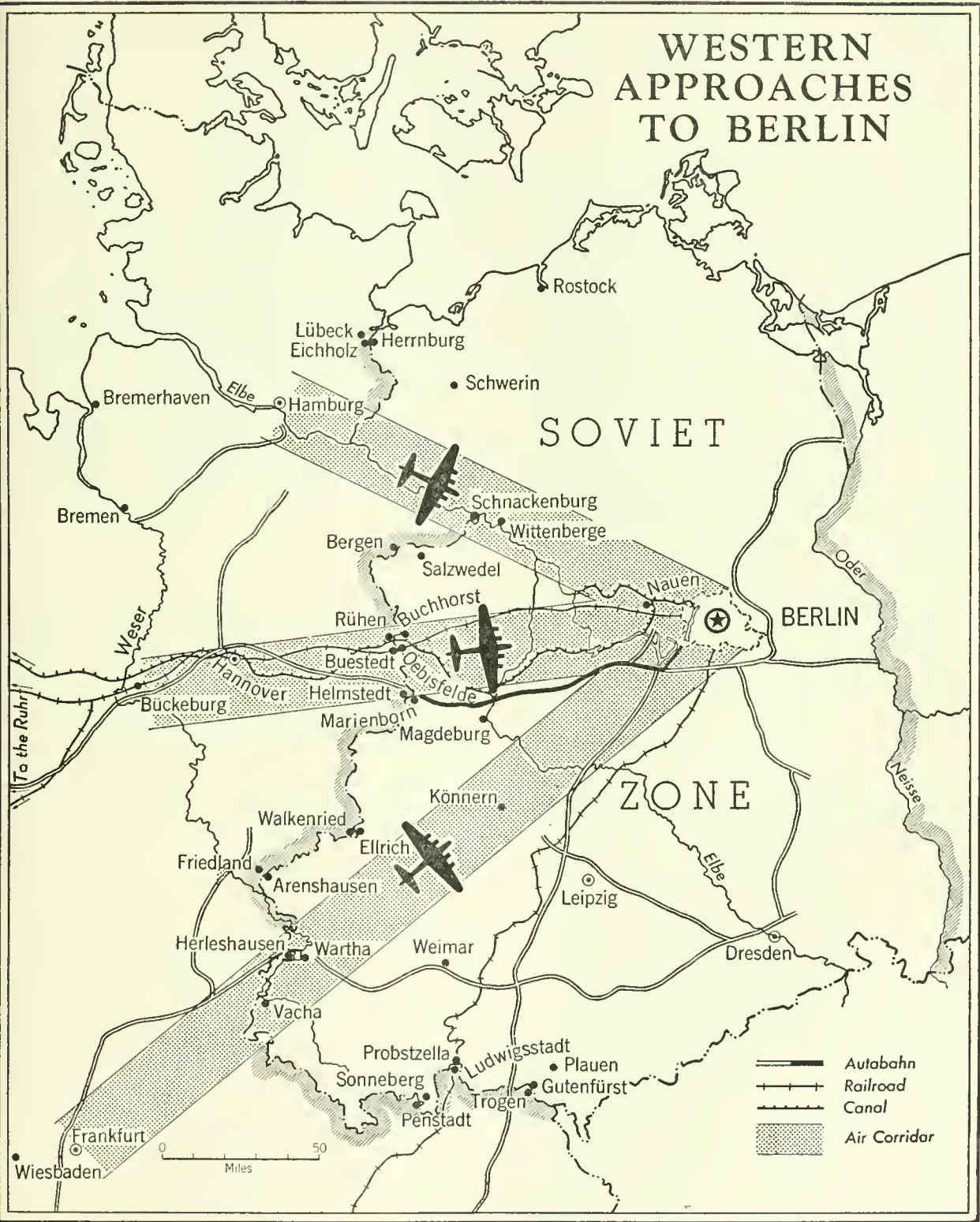
At the same time, there was set up in the border regions along the German Democratic Republic a widespread network of centers for the purpose of sending into the German Democratic Republic spies, diversionists, smugglers, terrorists and saboteurs.

It is obvious on the face of it that, under such conditions, the government of the German Democratic Republic was forced to take steps in the defense of the population of the Republic, steps which have become particularly necessary in view of the signing of the separate treaty in Bonn.

You are aware, of course, that the decree issued by the government of the German Democratic Republic states that the measures for the strengthening of supervision along the demarcation line, will be lifted as soon as an agreement has been reached concerning the holding of all-German elections for the purpose of establishing a united, democratic and peaceloving Germany. Thereby, the government of the German Democratic Republic confirmed once more its offer to hold free all-German elections, an offer which, nonetheless, still remains unanswered.

In view of the aforesaid, I must consider as entirely unfounded, and as the result of pure invention, your statements directed at the government of the German Democratic Republic, which is merely fulfilling its duty toward the population in

# WESTERN APPROACHES TO BERLIN



taking steps to secure the safety of the German Democratic Republic.

I emphatically reject your protest and your proposals, as directed against the interests of the German population, and the peace and unity of Germany.

**Mr. McCloy to General Chuikov, June 23<sup>8</sup>**

I wish to acknowledge receipt of your letter of 9th June, 1952, in reply to the U.S. Acting High Commissioner's letter of 29th May, 1952, concerning the recent restrictions imposed by the Soviet authorities on the free use of the Berlin-Helmstedt Autobahn by Allied occupation personnel.

In your letter you attempt to justify these restrictions by making the allegation that the American and British patrols on the autobahn "are contrary to the agreement reached at the conference at the headquarters of the Soviet Occupation Forces on 29th June, 1945. . . ." I have made a careful examination of the records of that conference. They indicate clearly that not only was no agreement reached which in any way limited the right of the three Western Occupation Forces to maintain patrols on the autobahn in question, but furthermore no attempt was made by the Soviet representatives at that conference to challenge such right.

It is apparent to me from your letter that you are not informed as to the actual character and purpose of the Allied military patrols along the autobahn. The sole purpose of these patrols, which are an integral part of the Allied military forces, is to provide assistance where necessary to Allied officials and personnel traveling along the autobahn in case of motor trouble or other difficulty. (An indication of their actual character is the fact that they are frequently referred to as "courtesy" patrols.) At no time during the many years that these courtesy patrols have operated have they been charged with any responsibilities remotely encroaching on Soviet functions. These patrols do not establish traffic regulations, control traffic conditions, or have any other administrative function on the autobahn. These facts should suffice to dissipate any possible misunderstanding.

I wish to stress that the agreement of 29th June, 1945, guaranteed free and unrestricted use of the autobahn to all properly documented Allied vehicles and personnel. It also appears significant that until recently the Soviet authorities have never taken specific exception to the long established practice of maintaining Allied courtesy patrols along the autobahn. Reference was in fact made to this practice in the correspondence between Major General Hays and General Dratvin in April 1948, on the subject of U.S. mobile auto

repair units. In his letter of 16th April, General Hays stated that he intended to establish such units "to supplement our mobile patrols." In his reply of 19th April, General Dratvin took no exception whatever to General Hays' mention of the use of Allied mobile patrols, which he accepted as a matter of course.

Furthermore, the recent measures taken by the Soviet authorities to restrict the right of Allied forces to the use of the autobahn appear to be in clear violation of the Four-Power agreements of 4th May and 20th June, 1949, regarding access to Berlin and the re-establishment of all normal communications between the various zones of occupation and between the zones and Berlin.

I must therefore insist, on the basis both of quadripartite agreements and of a practice followed over a period of many years, on the right of unrestricted access for all properly documented Allied vehicles and personnel to the Berlin-Helmstedt Autobahn.

In conclusion, I request that you re-examine this question in the light of the foregoing and that you do not delay in canceling the arbitrary measures against which a protest was made in the letter of 29th May referred to above.

**Mr. McCloy to General Chuikov, June 26<sup>9</sup>**

I wish to remind you of the letter which was sent to you on April 29, 1952 protesting against the inexcusable attack in which Soviet fighters opened fire on a French aircraft, wounding two persons and seriously damaging the airplane itself.

This letter requested that an investigation be undertaken immediately by the Soviet authorities, that those responsible for this outrage be punished, and that due reparation be made for material damage to persons and property.

No answer has been received to this letter.

I should be grateful if you would devote your personal attention to this serious question and hasten its settlement.

**General Mathewson to Mr. Dengin, June 28**

I have noted with growing concern the successive measures which the East German authorities under Soviet control have taken in the last few weeks to hinder the normal freedom of movement hitherto enjoyed by the inhabitants of Berlin. For instance, as a result of these measures, Berliners are now denied free access to that part of Berlin known as West Staaken and, unless they are resident there, to the West Berlin enclave of Steinstuecken. In addition, an announcement has recently been published in the East German press which suggests that West Berliners who have property or business in the Soviet zone will not be per-

<sup>8</sup> Identical notes were sent by the British and French High Commissioners.

<sup>9</sup> Identical notes were sent by the British and French High Commissioners.

mitted in the future to visit that property or attend to their business unless they definitely cease to reside in West Berlin.

The allegations against the Western Powers and the Berlin authorities which have been made in East German organs of propaganda in an attempt to justify these obstructions to the freedom of movement of the Berlin population are so completely removed from reality as to merit no serious rebuttal. The measures themselves, however, I cannot ignore. In the first place, they are in violation of the four-power agreement reached at Paris in June 1949 regarding travel and communications between the zones of occupation and between the zones and Berlin. Furthermore, these measures are causing untold distress and substantial material loss to thousands of innocent Berliners of modest means who wish no more than peacefully to pursue their normal occupations or to visit their friends and relations in the countryside.

If the Soviet authorities are not willing to secure the reversal of this unconstructive and inhumane policy, I must insist that they take steps to ensure that prompt, adequate, and effective compensation is paid to those inhabitants of the British sector of Berlin who are suffering hardship and material loss by reason of the recent unwarrantable restrictions placed on their freedom of movement.

#### **Mr. McCloy to General Chuikov, June 30<sup>10</sup>**

In his letter of May 29, 1952, the U.S. Acting High Commissioner invited your attention to a series of measures taken in the Soviet zone of Germany as well as in the Soviet sector of Berlin, without prior consultation with the authorities of the Western zones, which applied serious restrictions to the interzonal road, railroad, telephone and telegraph communication systems. Your reply of June 19, 1952, deals only incidentally with the measures taken and provides no justification therefor.

As regards road traffic, you merely enumerate the pretexts under which the various crossing points have been closed by the authorities of the Soviet zone. The number and variety of those protests do not suffice to explain nor to justify the fact that half of those roadcrossing points which until then were open to interzonal traffic, were simultaneously closed and the total number reduced to five along a demarcation line of more than 500 miles. As regards railroad traffic, your letter makes no reference to two of the lines mentioned. Your letter also fails to refer to the restrictions on telephone and telegraph communications imposed by authorities of the Soviet zone.

Instead of answering the questions raised in the acting High Commissioner's letter, you expound at

considerable length the point of view of the Soviet Government concerning the agreements recently signed with the Federal German Government and concerning the means by which the unity of Germany may be achieved. As these problems at present form the subject of correspondence between the Soviet Government and the Governments of France, Great Britain, and the United States, I do not propose to discuss them with you now.

You endeavor, on the other hand, to compare the abnormal measures instituted by the Eastern authorities along the demarcation line with a law of the Federal Republic dated March 16, 1951, which you allege has created a border area 30 kilometers wide designed to isolate the Western zones from the Eastern zone.

The text of this law clearly establishes that the only purpose of defining this area is to delimit the region in which the Federal frontier police are competent. As you must be aware, neither this law nor any subsequent measure has imposed the slightest restriction on freedom of movement. In contrast to the conditions currently prevailing in the prohibited zone created by the Soviet zone authorities, there exists west of the demarcation line not only complete freedom of travel but also freedom from the fear of being suddenly and violently uprooted and deported to unknown destinations. These facts are open for all to verify.

In your letter you attempt to excuse the arbitrary treatment accorded to the population along the eastern side of the demarcation line on the ground that such measures are necessary for "security reasons." According to you, the people of the Soviet zone must be "defended" from "spies, diversionists, smugglers, terrorists, and saboteurs." Such implausible assertions do not merit serious consideration.

The facts show that, if the security and welfare of the East zone population are really in danger, it is not because of any alleged threats from the West but merely because of the measures taken in the Soviet zone under pretext of protecting the population. In addition to the mass expulsions whereby so many families have been brutally separated and driven from their homes, thousands of farmers and other workers, living in the Western zones and working in the Eastern zone, have suddenly and in violation of their right to work been denied access to their livelihood. These actions in effect completely subvert Allied control council directive number 42 which is designed to facilitate the movement across the demarcation line of German frontier workers.

All of these measures, which stem from a deliberate desire to separate the two parts of Germany and to prevent any contact between their inhabitants, provide impressive evidence of the contradictions between the actions of the Soviet zone authorities and their frequent professions in favor of German unity.

<sup>10</sup> Identical letters were sent by the British and French High Commissioners.

**General Chuikov to Mr. McCloy, July 2**

I confirm receipt of your letter of 23 June, 1952, concerning the patrolling of the Berlin-Marienborn Autobahn by American and British military police.

The assertion contained in this letter, that the now prevailing procedure for the supervision of automobile traffic along the Autobahn was allegedly not provided for in the decision of the representatives of the Soviet, U.S. and British military commands, at their meeting of 29 June, 1945, is not true to fact.

As already stated in my letter of 9 June, 1952, the above mentioned meeting had adopted a decision providing that police functions and supervisions along the Berlin-Marienborn Autobahn should be regarded as being solely within the competency of the Soviet military authorities, and properly so owing to the sole responsibility accruing to the Soviet authorities with regard to control over German Democratic Republic territory. This was never disputed by the Western occupations in this respect.

As to your remark, that the Soviet authorities have allegedly raised no objection to the patrolling of the Berlin-Marienborn Autobahn by U.S. and British military police and have treated such patrolling as a matter of course, it is devoid of any foundation.

You must be aware of the fact that in the past there have also been instances when U.S. patrol cars were removed from the Berlin-Marienborn Autobahn. In particular, on 30 May, 1950, the Soviet military authorities detained a U.S. military car that was attempting to carry out patrol duties along the above mentioned Autobahn. A teletype from the Chief of Staff of the Soviet Military Kommandatura in Berlin, Colonel Kalinin, delivered to Colonel Davenport, Chief of the U.S. military police, on 31 May, 1950, stated that the actions of the U.S. military patrol represented a violation of the decision taken at the headquarters of the Soviet occupation forces, on 29 June, 1945, and would not be allowed in future. There followed no comments from the U.S. side in connection with this teletype.

With respect to Lieutenant General Dratvin's letter of 19 April, 1948, to General Hays, to which reference is made in your letter, I must state that

the letter in question dealt not with the patrolling of the Berlin-Marienborn Autobahn, but with the question of putting an end to the movement along the Autobahn of U.S. auto-repair cars, the need for which existed no longer owing to the setting-up of permanent technical-assistance stations.

In view of the foregoing, I am compelled to decline your request that the measures with respect to not admitting U.S. and British military patrols on the Berlin-Marienborn highway be canceled.

**General Mathewson to Mr. Dengin, July 8**

This morning at 7:30 o'clock as Dr. Walter Linse, German resident in the American sector, was leaving his residence at 12A Gerichtstrasse, Berlin, Lichterfelde-West, he was overpowered by three unidentified persons, forced into a waiting taxi and carried off into the Soviet zone of occupation. The taxi in which Dr. Linse was abducted was pursued by a civilian car and by a police radio car. Both were fired upon by the kidnapers who also threw sharpened hooks into their wake in order to hinder pursuit. The taxi proceeded at high speed and entered the Soviet zone at the corner of Berlinerstrasse and Schwellmerstrasse. The barrier marking the beginning of the Soviet zone was raised by the Peoples Police attending it so that the taxi could enter the Soviet zone without reducing its speed.

I have been shocked not only by the outrageousness of this crime, but by the evidence of collusion of persons under Soviet control. I cannot believe that the convenient raising of the usually so zealously guarded zonal barrier was purely accidental, nor can I tolerate that the perpetrators of this crime be allowed refuge in territory under your control. Personal freedom and safety for individuals are basic principles of the policy of the United States Government guaranteed to residents of areas for which it holds responsibility. I must warn you that I regard this act, which could only have been carried out with the direct assistance of forces under your jurisdiction, as intolerable and one which must be rectified.

I, therefore, insist that you utilize your powers in the Soviet zone to see to it that Dr. Linse is returned in safety and without delay to his residence and the criminals responsible for this abduction be apprehended and turned over to proper Berlin authorities for prosecution.

## Department Deplores Punitive Spirit of Latest Soviet Note on Austrian Treaty

### DEPARTMENT'S CRITIQUE

Press release 649 dated August 15

The full text of the Soviet Government's reply to the U.S. note of March 13 concerning a state treaty for Austria<sup>1</sup> has been received by the Department of State.

Although the Department is pleased to have a reply to its many communications, it is unfortunate that this note harks back to the suspicious and punitive spirit of 1945. In addition it strays from the point by making the reestablishment of Austrian sovereignty dependent on a solution of the Trieste question. This is not the first time that the Soviet Government has thrown extraneous issues into the 258 meetings on the treaty. In earlier discussions the settlement of the "dried pea debt" was made the condition for granting Austria her sovereignty. The Soviets claimed that dried peas which they had given to the starving population of Vienna in 1945 had to be paid for before any further discussions on the treaty could take place. This "debt" was to be made the subject of bilateral discussion with the Austrian Government. Yet, despite repeated invitations from the Austrian side, no Soviet representative could even be found to engage in such discussions. There is no guarantee that this "debt" will not at any time bedevil future negotiations.

The Soviet communication is at pains to attack the proposed "abbreviated treaty"<sup>2</sup> which was suggested—after 258 meetings—as a basis for discussion by the three Western Powers in their notes of March 13, 1952.

The Soviet note criticizes the "abbreviated treaty" on specific grounds. The U.S.S.R. says that the "abbreviated treaty" does not "guarantee democratic rights and freedoms to the Austrian people" and "does not envisage those measures which would guarantee free activity to demo-

cratic parties and organizations and would not permit the existence in Austria of organizations hostile to democracy and peace."

The fact is that guaranties for free elections, conducted through secret ballot, are provided for in the Austrian Constitution. Three general elections have been held under these provisions in Austria since 1945. It is from the popular support thus derived that the Austrian Government—a coalition of the Socialist and People's Parties—derives its power. Under these provisions Austria has demonstrated her ability to maintain a stable, popularly elected, and democratic Government for the past 7 years.

The fact further is that the Austrian Constitution also contains guaranties of the basic human rights and freedoms.

The Soviet note also rejects the short-form treaty because it makes no specific provisions "for the elimination of the National Socialist Party and its affiliates and organs under its control including political, military and quasi-military organs on the territory of Austria."

The fact is that the Austrian Government has carried out its denazification program to such an extent that it feels it can now grant amnesty to certain categories of ex-Nazis. The Department of State recently expressed its concern that this was contemplated before adequate restitution had been made to certain Nazi persecutees.<sup>3</sup>

In the second paragraph of their note the Soviets clearly imply that, according to their belief, the Austrian Government has not fulfilled Four Power decisions concerning the demilitarization of Austria. Yet in the ninth paragraph they criticize the "abbreviated treaty" because it "also passes over such an important question as the right of Austria to have its own national armed forces necessary for the defense of the country."

The fact is that Austria has been "demilitarized" since 1945. As far as making provision for "na-

<sup>1</sup> BULLETIN of Mar. 24, 1952, p. 448.

<sup>2</sup> For text, see *ibid.*, p. 449.

<sup>3</sup> See *ibid.*, Aug. 11, 1952, p. 223.

tional armed forces" is concerned, the maintenance of armed forces has long been considered one of the inherent attributes of sovereignty.

In the face of these simple facts it would seem that the considerations raised in the Soviet note are the considerations raised in submitting a treaty of peace to a vanquished nation.

The United States was never at war with the Republic of Austria.

In the Moscow Declaration of November 1, 1943, the Allied and Associated Powers announced that one of their primary war aims was to restore to Austria—"the first victim of Nazi aggression"—her sovereignty and independence. Yet she has now been occupied for 14 years.

It would seem, therefore, not necessary that any of these things be written into a treaty designed simply to restore the sovereignty and independence of Austria.

The Department of State is still at a loss to understand why the Soviet representative failed to appear at the last meeting of the treaty deputies, which was called for at London on January 21, 1952. His absence becomes the more mysterious in the light of the present Soviet communication.

The United States remains willing to explore any channels of negotiation which will result in the discharge of the clear moral obligation incurred at Moscow on November 1, 1943.

#### **TEXT OF SOVIET NOTE OF AUGUST 14**

Press release 646 dated August 18

The Ministry of Foreign Affairs of the Union of Soviet Socialist Republics acknowledges receipt of the note of the Embassy of the United States of America of March 13 regarding the so-called "abbreviated treaty" for Austria and also the note on the same question of May 9, and considers it necessary to state the following:

As is known, in the declaration regarding Austria accepted at the Moscow Conference of the Ministers of Foreign Affairs of the Union of Soviet Socialist Republics, the United States of America and Great Britain of October 1943, to which France also adhered, the Governments of the mentioned countries stated "that they wish to see re-established the freedom and independence of Austria." After this, at the Potsdam Conference of 1945, there were defined principles of general policy of the Union of Soviet Socialist Republics, the United States of America and Great Britain with regard to Austria which also were later acknowledged by the French, which had adhered to the decisions of the Potsdam Conference in accordance with the mentioned decisions of the four powers, decision was taken at the Conference of Ministers of Foreign Affairs of the Union of Soviet Socialist Republics, the United States of America, Great Britain and France in

December 1946 at New York City, regarding the preparation of a draft state treaty with Austria and at the Paris Conference of Ministers of Foreign Affairs of the four powers in June 1949 agreed important decisions were taken on both political and economic questions regarding Austria. On the basis of the mentioned decisions, a draft state treaty with Austria, with the exception of certain articles, was agreed to by representatives of the Union of Soviet Socialist Republics, the United States of America, Great Britain and France.

The Soviet Government many times has proposed to discuss the remaining non-agreed articles of the draft state treaty with Austria and also simultaneously to carry out in all zones of Austria quadripartite control of fulfillment by the Austrian Government of decisions of the four powers regarding the demilitarization and denazification of Austria. In this connection the Soviet Government has proceeded from the fact that it stands to reason that the fulfillment by the Government of Austria of the obligations placed on it by the decisions of the four powers regarding demilitarization and denazification of Austria would correspond to the problem of the reestablishment of an independent and democratic Austria and would create, among the states which are neighbors of Austria, confidence that Austria will not again be used by any power or group of powers for aggressive purposes.

At the same time, the Soviet Government frequently drew attention to the fact that, because of circumstances which have arisen, the question of the non-observance of international agreements concluded between the Union of Soviet Socialist Republics, the United States of America, Great Britain and France cannot be ignored in examining the treaty with Austria and pointed out in this connection the non-observance of the provisions of the peace treaty with Italy regarding Trieste. In such a situation when, in the course of many years, international obligations are not fulfilled which have been assumed by the governments of the three powers regarding Trieste, there cannot be any guarantee that the peace treaty with Austria will not meet the same sort of fate. The Governments of the United States of America, Great Britain and France have systematically declined the above-mentioned proposals of the Soviet Government which were directed toward concluding the preparation of the treaty with Austria. Thus, responsibility for the situation which has been created regarding the preparation of the draft of the Austrian treaty is borne entirely by the Governments of the United States of America, Great Britain and France.

At the present time, the Government of the United States of America and also the Governments of Great Britain and France, evading conclusion, of the state treaty with Austria based on proposals earlier agreed upon by the Governments of the four powers bring forward a proposal to



discuss a new draft of a so-called "abbreviated treaty" for Austria prepared by them, which has not been examined earlier by the representatives of the four powers and which is not in accordance with the Potsdam Agreement. Thus they attempt to substitute for the state treaty with Austria, which has the aim of guaranteeing fulfillment of the above-mentioned international agreements and the re-establishment of an independent and democratic Austria, mentioned so-called "abbreviated treaty" for Austria although this "abbreviated treaty" does not envisage any kind of provisions which could further the re-establishment of an Austrian state which is in fact independent and democratic.

The proposed draft of the "abbreviated treaty" for Austria does not guarantee democratic rights and freedoms to the Austrian people. Thus it does not envisage right of the Austrian people to elect freely its own government on the basis of universal and equal suffrage with secret balloting, while such right is fully guaranteed by the draft of the state treaty with Austria, as is evident from Article 8 of the draft which was agreed upon by the Governments of the Union of Soviet Socialist Republics, the United States of America, Great Britain and France, which says: "Austria will have a democratic government elected on the basis of universal equal suffrage with secret balloting guaranteed to all citizens and also the right to be elected to government position without distinction as to race, sex, language, religion or political conviction."

The draft of the "abbreviated treaty" for Austria proposed by the Government of the United States of America and also the Governments of Great Britain and France likewise does not envisage those measures which would guarantee free activity to democratic parties and organizations and would not permit the existence in Austria of organizations hostile to democracy and peace. Meanwhile, the draft of the state treaty with Austria mentioned above contains appropriate provisions. Thus Article 7 of the draft of state treaty with Austria requires that there be taken "all measures necessary to guarantee that all persons under Austrian jurisdiction without distinction as to race, sex, language or religion shall enjoy human rights and basic freedoms, including freedom of speech, press and publications, religious culture, political convictions and public assembly."

Article 9 of the mentioned draft of the treaty required the Austrian Government to take measures "for the elimination of the National Socialist Party and its affiliates and organs under its control including political, military and quasi-military organs on the territory of Austria."

"Austria," it is said in this article, "also must continue efforts to root out of Austrian political, economic and cultural life all traces of Nazism, must guarantee that above-mentioned organs will

not be revived in any form and prevent all kinds of Nazi and militarist activity and propaganda in Austria."

It must also be noted that the draft of an "abbreviated treaty" for Austria also passes over such an important question as the right of Austria to have its own national armed forces necessary for the defense of the country, while in the draft of the state treaty with Austria there are provisions agreed upon by the Governments of the four powers giving Austria the right to have its own national armed forces.

Thus, the so-called "abbreviated treaty" for Austria proposed by the Governments of the United States of America, Great Britain and France does not at all respond to those problems of the reestablishment of a free, independent and democratic Austria which were enunciated in the mentioned declaration of the four powers on Austria and which were reflected in the Potsdam decisions as well as in other agreements of the four powers concerning Austria. There is no doubt, however, that non-fulfillment of international agreements mentioned above is causing serious harm to the reestablishment of a free, independent and democratic Austria.

The Soviet Government, adhering strictly to international obligations re Austria which it has taken upon itself, and confirming the content of its note of January 18 re further examination of the treaty with Austria, expresses readiness to conclude preparation of this treaty.

At the same time the Soviet Government considers it necessary as a preliminary measure to ascertain if the Government of the United States of America as well as the Governments of Great Britain and France are ready to withdraw their proposal re the so-called "abbreviated treaty" for Austria which, as is evident from the preceding, cannot further the re-establishment of an Austrian state which is in fact independent and democratic and does not correspond to agreements in existence between the four powers.

At the present time the Soviet Government considers it all the more necessary to receive from the Government of the U.S.A. agreement on withdrawal of the proposal re the so-called "abbreviated treaty" and confirmation of its willingness to conclude the examination of the state treaty with Austria, because it is evident from the notorious Austrian memorandum of July 31, 1952,<sup>4</sup> that the Government of Austria refuses fundamentally to recognize the state treaty with Austria which is already prepared—with which the Soviet Government cannot agree.

<sup>4</sup> Reference is presumably made here to the Austrian memorandum submitted to United Nations members appealing for their support in restoring Austria's sovereignty and ending the occupation; for text, see *ibid.*, Aug. 11, 1952, p. 221.

## Creation of Mutual Understanding

by Joseph B. Phillips

Deputy Assistant Secretary for Public Affairs<sup>1</sup>

You are, I understand, to be here approximately one year. You will work in some 36 states, "swapping" jobs with American teachers who will teach in the schools of Great Britain, France, and Canada. This teacher exchange is, of course, just one facet of the larger and more inclusive program in which your countries and mine are now engaged.

Our countries have launched upon a very ambitious plan to create understanding and sympathy between our peoples. We believe, all of us, that one of the best and surest ways to attain the results we seek is to introduce our people to each other to give them the opportunity to know each other by living and working together.

You may have thought, some of you, "What can I do—one person in the midst of a population of some 156 million?"

My answer to that is that you can do a lot. The boys and girls with whom you will come in contact may be only a handful of Americans, but they have families, friends. They live in communities. Your influence will spread out, fanwise. It will touch hundreds, perhaps thousands. The total will be in millions.

I ask you to think of your job in these terms. It may frighten you a bit, but it will, I am sure, give you a better perspective of what we—your Governments and mine—are trying to do in this exchange-of-persons program.

At the end of this, your year in America, I hope I will have the opportunity of meeting with you again and to listen, not talk. I know you will have interesting tales to tell. If you do not I will have to revise seriously my opinion of young America. Don't misunderstand me. I do not

mean to infer that the boys and girls of America are of some particular and special breed. They are not. It is just that they are boys and girls and the young of the species are always able to teach us things.

### The Kidd Doctrine

Some years ago—it was in the mid 1930's—I picked up a book in a London bookshop. It was *The Science of Power* written by the distinguished British sociologist, Benjamin Kidd, and published in 1918.

Kidd had a lot to say about what he regarded as the failure of Western civilization. He thought that we, the adults, had made quite a mess of it. His only hope lay in the unspoiled young. He had a number of other ideas into which I will not go, but his ideas on youth impressed me. They reoccurred to me in thinking of my talk to you this evening—and of this teacher-exchange program.

Kidd believed that it was possible, through modern techniques of education and communication, in one generation to change the philosophy of an entire nation, of the entire world. "Give us," he said, thinking of himself as a teacher, "the Young. Give us the Young and we will create a new mind and a new earth in a single generation."

That was a highly revolutionary idea at the time it was first propounded. It isn't today. We have seen what Hitler did with it. And we have seen his efforts reduced to amateurish proportions by the Soviet dictatorship.

The Communists have adopted the Kidd doctrine. If asked they would, I daresay, claim that they invented it themselves. Adopted or invented, they have made it their own. They mean to create "a new mind and a new earth" in this generation—and it will be a Communist mind.

<sup>1</sup> Excerpts from an address made before the Interechange Committee at Washington, D.C., on Aug. 21 and released to the press (No. 652) on the same date.

## Youth Campaigns Present a Challenge

We have had little opportunity, to date, to fully evaluate the Communist youth campaigns. The Iron Curtain shuts the youth of Russia, as well as the youth of the satellite countries, away from us.

We did get a brief glimpse during the youth demonstrations last summer in Berlin. I, personally, had several chilled moments watching newsreels of that performance. Those thousands of young people! What had been done to them?

There were, of course, the boys and girls who disobeyed instructions and slipped across the line into West Berlin. I found those young people encouraging. But they were, of course, far from conclusive. They may have proved only that not even communism can completely kill youthful curiosity—or youthful contrariness.

But even if the Communist youth campaigns are only partially successful, they are frightening. And they present a challenge to the democracies we cannot ignore. We are not ignoring it. That, in part, is why you are here in the United States, this year, why our teachers have gone to your countries to teach your young people.

The democracies cannot, of course, adopt Communist tactics in handling our young people. We would not if we could. The basis of our whole outlook on society is to encourage, not to stifle, youth's natural desire to know. We prepare for growth, not stagnation.

We of the democracies are not so convinced, either, that adults are entirely hopeless. Hence, the other elements of the exchange-of-persons program. We are exchanging not only teachers and students but persons from practically every walk of life, businessmen, writers, laborers and labor leaders, civic leaders—the list is almost endless.

It isn't, and can't be, entirely a government program. To date, in fact, by far the greatest contribution has been made by private organizations. In 1951 private American organizations arranged, roughly, something like 40,000 exchanges of their own. The 4-H Clubs have been exchanging young farmers, the Rotary clubs have been bringing over young students, the Girl Scouts, "youth leaders"—the list encompasses almost every kind of organization in American community life.

## Exchange of Technical Personnel

There is a growing and very successful exchange of technical personnel. The late Sir Stafford Cripps was largely responsible for this. As the story goes, he was talking in Paris in 1948 to Paul Hoffman, then head of ECA, about production levels in this country and in Europe. How—Cripps asked—did the Americans do it? What was the secret of our high productivity?

Hoffman began going into detail but, in an in-

spired moment, suddenly asked, "Why not bring some of your young people over and let them see?"

Sir Stafford agreed, and the ECA technical-exchange program was launched. The objectives of that program were, and are, technical. But they did not stop there. The visitors, your people, learned a lot more than just how to increase steel production or make more automobiles. They learned to know America.

That program continues. Under Point Four it has been expanded to include other nations besides our friends and allies of Europe. It has fanned out through the entire free world. The program, of course, meshes completely with the other facets of the exchange-of-persons program. It is a part of the over-all plan—just as is the exchange-of-teachers program.

Most of us agree that this old world of ours could stand a lot of improvement. We want, for example, to get rid of war. We want to improve the living standards of hundreds of millions of people.

This is a tremendous task. No one nation, working alone, could hope to accomplish it. But *all* of us—all nations of good will—can. If we work together, pool our resources, human and material, there is little that we cannot accomplish.

To do this, however, we must work from a basis of understanding and sympathy. All of us have something to contribute. All of us have something to learn. Only if we each add our bit will the job be done. To find that understanding and sympathy, however, is not an easy task. For too many centuries our peoples have been separate, kept apart by age-old jealousies, animosities, and misunderstandings.

We, the free peoples, believe however that these barriers are artificial. That they do not exist in the hearts of men.

## Personal Contacts Banish Misconceptions

We propose, therefore, to destroy them. We think that they *can* be destroyed if our peoples work, live together.

All of us cherish certain misconceptions of each other. Any one of us can name a dozen. For you—Americans may all be moneygrabbers, slaves of the machine, soulless. For us—the British have no sense of humor; the French are frivolous; the Germans, the only good technicians in Europe; the Italians, too romantic.

A person-to-person contact wipes out these notions. Working and living with each other, we find very shortly that the differences between Americans, British, French, and so forth are minor. That we are, after all, very much alike. There are moneygrabbing British and French as well as Americans. There are humorless and frivolous Americans.

On the credit side of the ledger we find out that *most* Americans, *most* British, *most* French, are none of these. That we are, individually and collectively, all very likable people.

So, in this exchange-of-persons program, we are creating these person-to-person contacts. We are bringing your people here to know us and sending ours to you. This is the philosophy behind what we are doing. It is the reason why you are here today and why several hundreds of our own teachers left week before last to live and work in your homelands.

The emphasis upon students and teachers in the program is understandable. We are building for tomorrow. We are making an effort to create a new generation to whom these old misunderstandings, misconceptions, will be merely amusing folklore of the past.

For the individuals lucky enough to be picked for active roles in this program it can be lots of fun. I like to think that each of you will enjoy the year before you. You have, to be sure, an important task to perform. But that is no reason why you should not get some fun from it. I do not mean to infer that you must like everything you find in America. I am sure, in fact, that you will not. We are not perfect. We do not claim to be.

Take note of our imperfections. It may be—I am sure that it will be—that you can suggest, as friend to friend, changes from which we will benefit. I assure you that your suggestions will be accepted in good part. This is a program for our mutual benefit. If we do not profit mutually, it will have failed of its purpose.

### **Tolerance is Needed**

I ask you, however, to be patient with our faults and patient with our differences. Look beneath the surface. Underneath you will find how very little different we are.

Be tolerant, please, of our lack of information on your countries. Some of our misconceptions, I am afraid, will startle you.

A friend of mine was telling me of two Chinese boys she was entertaining in her home. Until driven out by the Communists the lads had been students in a Buddhist school near Peking. She said to me, "I find it hard to see the difference between these boys and mine. Surface differences, yes. But scratch that surface and they are just boys."

She took the two Chinese lads and her own to Monticello, the home of Thomas Jefferson. They were interested, going through the mansion house and out buildings, taking copious notes. One of the young Chinese asked, "But where is the garage?" He found it hard to believe that Americans 150-odd years ago did not have motor cars. "You mean they had to use *horses*," he demanded.

I cannot believe that an English or French boy

would make just that mistake. But I am sure that an American boy in China would have similar, if not identical, misconceptions of Chinese life a hundred or so years ago.

One of these same two Chinese lads, incidentally, was attending school in a small North Carolina town. He complained to my friend's son, "The people stare at me when I go to town."

The young American thought. Then he grinned. "Yi-Han," he said, "what would happen if I took a walk in some little out-of-the-way Chinese village?" The Chinese lad considered. Then he laughed. "The children would follow you yelling 'foreign devil,'" he admitted.

Both the Chinese boy and the American learned from that little episode.

You will, of course, have specific subjects to teach your American students. I find those subjects, however, rather unimportant. The real lesson you must leave behind you next year must go deeper. An Indian student several months ago wrote to the *Washington Post*, a Washington newspaper. He said:

It is not only the professional skill that we take back as we leave the shores of this country, but it is the good will of the people. If we, students of today and likely to be statesmen of tomorrow in our own countries, can understand and appreciate each other so well, can we not apply the same to the human family at large?

This boy had learned his lessons well in America. And they were not, as he said, solely, or even most importantly, the subjects he had studied in his classrooms.

One British teacher here last year at first found her pupils rather undisciplined by her standards. She thought them informal almost to the point of rudeness. Later, after working with these boys and girls, she confessed a change of heart. "You have freedom," she said. "We have discipline. We need them both."

We do. Perhaps our young people could profit by learning a little more discipline, perhaps yours with a little more schoolroom freedom.

I have been interested in noting the list of cities and towns to which you have been assigned. They have been, I think, well selected. You are going to have a variety of experiences. When you reassemble next year, before your departure for home, I would like nothing better than the opportunity of hearing of these experiences. I suspect some of your ideas about American life and American ways will have undergone drastic revision.

### **Some Popular Misconceptions About Americans**

You will find, I think, for one thing that all Americans are not cut from the same pattern, that we are not assembly-line products. That is a popular misconception of the United States in many countries. And nothing could be further from the truth.

We do not, all of us, even speak the same lan-

guage. There are sections, for instance, of New Orleans where you hear more French than English. In many areas of the Southwest they speak Spanish. Elsewhere it is German.

And what we *do* to English! I would like to take you on a tour of some of the Amish villages of Pennsylvania, or certain of our mountain regions in the South where the English is more that of Elizabeth the First than Elizabeth the Second. The Gullah negroes off the coast of South Carolina have developed a language of their own, basically English and French, but understandable to neither.

I think you are particularly lucky to be here this year—a presidential election year. If the next few months do not shake your conviction that all Americans think alike nothing else could. I have seen elections in Great Britain, Canada, and France. And I assure you, none are quite like American elections. I ask you, however, not to be misled by the ballyhoo and speeches. Do not overlook the serious purpose behind all the uproar.

In conclusion I would like to impress on you that the encouragement of personal contacts is only one part of the effort that is being made to strengthen the spiritual and intellectual bonds of our world. The entire information program conducted by my Government considers the strengthening of those bonds as its primary objective. An information program conducted by a government naturally must reflect the foreign

policy of the government. The preservation of the safety of the nation is the basic objective of any sensible foreign policy. In our conception, at this time in history we have reached the point where our greatest security lies within a community of free nations.

The purpose of our information program and the reason you are here is not just to show you the good features of our country. It is to foster and cultivate our mutual interest and our mutual understanding. That is the underlying purpose of our information program, whether it is using the Voice of America, the printing presses, motion pictures, or our overseas libraries. These are all instruments for cultivating mutual understanding.

There is, however, one important difference between these instruments and the program for the exchange of personal visits. That difference is that the impressions you *get*—and the impression you *give*—will endure after the spoken word or even the written word is forgotten.

We are not, any of us—your countries or ours—interested in creating this mutual understanding only for today. It is true that today we are brought closer together by an awareness of a common danger. But we can look beyond that danger and into the future in the belief that the seeds of good will which we are sowing today will bear fruit—through your own influence—and after that through the influence of the children whom you are now going to teach.

## **President Reaffirms U.N. Stand on Prisoner Repatriation Question in Korea**

White House press release dated August 20

*Following are texts of letters exchanged between President Truman and U.S. Army Captain Charles G. Ewing, presently on duty with U.N. Forces in Korea.*

### **CAPTAIN EWING'S LETTER**

Because the repatriation issue has come to seem like a dull drag-weight on the Panmunjom talks, making many people feel weary with the whole thing, I thought you might care to hear from someone who has talked with considerable numbers of those prisoners who are resisting repatriation.

They have been brought to me still bleeding from scratches from the barbed wires, some wounded by stones flung by strong Communists trying to

hold them back, some wounded by birdshot from U.N. guards, but smiling and happy because they have fought their way through to a chance for permanent escape from a miserable life under the Reds. I was not involved in the screening—I've only talked to many of the hundreds who have broken away from work-details or bolted over or under the fence. My job was not to educate them to the merits of democracy, but to try to determine if they were enemy agents. Each professed "anti-Communist", therefore, was a headache to me and to most of the junior officers who are charged with extra administrative duties—messing, guarding, and medical care for them.

But in spite of all these circumstances, these desperately earnest men—ranging from semi-literate farm laborers, disillusioned by Communist land-grants which, instead of giving them economic freedom, made them serfs to the state

(which takes a higher percentage of their crops than even the greediest landlord) to former North Korean government officials whose original enthusiasm for theoretical communism has been reversed by their experience of political jailings and beatings, use of kinfolk as spies, denunciations of neighbor by neighbor—all the things we've read about until they seemed to belong to a world of horror fiction—these men have convinced me that we cannot force these poor devils to return to their enslaved homeland.

Between wars I am a newspaperman—I covered your visit to Fort Benning two years ago and have a picture of you scanning the headline over my story in *The Columbus Ledger*, held up for your scrutiny by Secretary Johnson—and I've heard much lying and much conflicting testimony. But I believe that most of these men who have risked death to protest being sent back to their homes are telling the truth when they say they would rather die than live under communism again.

I hope that, despite all pressure from defeatists, our government and the U.N. will continue their determination to preserve these unfortunate prisoners from being delivered up to the enemy, and so provide hope for the hundreds of millions he now holds or threatens in other parts of the world.

May God bless you, Mr. President, and keep you strong in spirit and body.

Sincerely yours,

CHARLES G. EWING

#### PRESIDENT TRUMAN'S REPLY

I read with great interest your observations on your interviews with prisoners of war in Korea. Your conversations with those men who prefer death to life under a Communist regime point up vividly the compelling humanitarian and moral reasons for the stand which the United Nations negotiators have taken on the repatriation question. We must not use bayonets to force these prisoners to return to slavery and almost certain death at the hands of the Communists.

You soldiers in Korea can also well appreciate the fact that behind the Iron Curtain there are millions of people who yearn desperately to regain their lost freedom and sense of dignity. These people look to the free world as their only hope to achieve this goal. This fact applies with special force to those hundreds of thousands of Chinese and North Koreans who have been impressed into the Communist armies and forced to face suffering and death to further the brutal ends of aggression.

Thank you for writing.

Sincerely yours,

HARRY S. TRUMAN

## Displaced Persons Commission Submits Final Report

In the final report of the U.S. Displaced Persons Commission released on August 20, entitled "The DP Story," the Commission recommends a positive and forthright program to deal with refugees from communism in Europe including the creation of Free World Universities in Exile.

Out of its experience in dealing with 370,000 DP's, German expellees, Italian refugees, and recent political escapees, the Commission concluded that "the free world's refugee program has lacked something in this . . . area," the report states.

One of the three Displaced Persons Commissioners, Harry N. Rosenfield, conducted an intensive survey of the plight of those escaping the Iron Curtain, and this survey along with the experiences of Chairman John W. Gibson, and Commissioner Edward M. O'Connor in Europe led to the formulation of recommendations in regard to the problem.

Each of the proposals given in the final report of the DPC is an implementation of the President's proposals of March 24, 1952, in a Message to Congress.<sup>1</sup>

"First," the Commission recommends, "the United States should provide the training and education . . . for selected refugees from Communism. The free world cannot afford to fritter away this resource . . . we must enable them to continue their education and training, in the broadest range of subjects, in order that the now-enslaved countries may not later suffer a 'lost generation.'"

This educational assistance to refugees from communism would make it possible for the escapees to "play a useful role in the fight for freedom," according to the report.

"In particular, the Commission believes that the United States should assist in the establishment of a series of free world universities in exile, to be associated with existing universities in Europe. The United States should also establish appropriate scholarships for such refugees from communism at other regularly constituted universities, should develop a free world university of the air to supplement the formal educational programs, and should encourage student exchanges," according to the report.

The Commission's second suggestion to implement this particular Presidential recommendation is the establishment of cultural and research institutes.

"If we are to preserve the morale of these refugees, if we are to enable them and others to keep alive the spirit of freedom which caused them to flee to the Western Democracies, these institutes can play an important role."

<sup>1</sup> BULLETIN of Apr. 7, 1952, p. 551.

The final report which covers all aspects of the 3-year DP program, concludes its section on educational facilities for refugees with the statement "the free world can effectively go all out in the battle of ideas, by providing the education and training for refugees from communism which President Truman recommended to the Congress."

Copies of the report may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

#### EXECUTIVE ORDER 10382<sup>1</sup>

##### PROVIDING FOR THE LIQUIDATION OF THE AFFAIRS OF THE DISPLACED PERSONS COMMISSION

By virtue of the authority vested in me as President of the United States, and for the purpose of accomplishing the liquidation of the outstanding affairs of the Displaced Persons Commission after the termination of the Commission, as provided by law, on August 31, 1952, it is ordered as follows:

1. The Secretary of State shall make appropriate provision, effective September 1, 1952, for the taking of possession by the Department of State of any remaining records and property of the Commission and for the designation of officials of the Department of State who shall certify any vouchers which are payable from funds of the Commission and which may require certification after August 31, 1952.

2. When no longer needed for carrying out the provisions of this order, the said remaining records and property of the Commission shall be disposed of in accordance with applicable laws and regulations.

HARRY S. TRUMAN

THE WHITE HOUSE,  
August 9, 1952.

## Franco-American Memorial Ceremony

Press release 647 dated August 15

On the morning of August 20 a Franco-American memorial ceremony was held under the Dome of Invalides in Paris. The ceremony was sponsored by the Kelly Memorial Committee, which is named for the first American soldier who reached Paris at the liberation. Staff Sgt. Lawrence R. Kelly, Army of the United States, was wounded on the bridge at Saint Cloud August 25, 1944. After being returned to hospitals in the United States, he died at his home town, Altoona, Pa., on October 1, 1946, as the result of his wounds.

Founded "in memory of Americans who fell for liberation of Paris," the Kelly Memorial Committee came into being mainly as a result of efforts of Mlle. Marcelle Thomas who operated the pharmacy in Saint Cloud where Sergeant Kelly re-

ceived first aid. A 2-volume Kelly memorial book composed of art work, messages, poems, and signatures was contributed to by more than 8,000 Frenchmen in 1946. It was presented to Ambassador Caffery for delivery to Sergeant Kelly, but he died several hours before it reached him.

A wreath has been sent each year since 1949 by the committee to be placed in Arlington Cemetery on Kelly's grave. The American Legion is responsible for placing it in Arlington after having received it at the Invalides Ceremony. Before the American Legion receives the wreath, it is exhibited for several days on the Altar of Kings of France under the Dome of Invalides.

At the August 20 ceremony, talks were given by Maurice Schumann, Secretary of State for Foreign Affairs, as well as Gen. Marion Leschi, technical director of Radio Diffusion Française, which is one of the organizations which signed the Kelly memorial book.

Theodore C. Achilles, U.S. Chargé d'Affaires at Paris, represented the U.S. Embassy at the ceremony.

## Death of Kurt Schumacher

*Statement by John J. McCloy<sup>1</sup>*

Press release 654 dated August 21

I am deeply distressed to learn of the sudden death of Kurt Schumacher, leader of the Social Democratic Party of Germany.<sup>2</sup> Mr. Schumacher has, of course, been in very bad health but his death nevertheless comes as a shock.

In the course of my 3 years in Germany as U.S. High Commissioner, I met and worked with Mr. Schumacher on many occasions. I came to have a close knowledge of the man and of his character and abilities. Our association led me to have the highest respect for this great German.

Mr. Schumacher has not, of course, always agreed with policies which the United States has pursued in Germany, but that has never lessened my respect for him as a patriot and as an able and long-time fighter for democracy. He fought against the Nazis and suffered deeply in consequence. Freed by the end of the war to assume political leadership, he was quick to understand the postwar Communist program and menace in Germany, and he has never wavered in his successful fight against the encroachment of Communism.

Germany loses a vivid and outstanding political personality with the passing of Mr. Schumacher.

<sup>1</sup> Former U.S. High Commissioner for Germany, whose resignation from that position became effective on July 31.

<sup>2</sup> Mr. Schumacher died on August 20.

## Legion of Merit Awarded King Faisal II of Iraq

Press release 650 dated August 19

King Faisal II of Iraq was awarded the Legion of Merit by President Truman at a White House luncheon given the King on August 16. The citation which accompanied the award read as follows:

The President of the United States of America, authorized by Act of Congress July 20, 1942 has awarded the Legion of Merit, degree of Chief Commander, to His Majesty King Faisal II al Hashimi of Iraq, in recognition of his outstanding devotion to the principles of duty to his country, and for distinguished service in furthering the deep friendship between the people of Iraq and the people of the United States.

The Legion of Merit is a decoration given by the President of the United States to American citizens or important foreigners who distinguish themselves by exceptional meritorious conduct in the performance of outstanding services.

## International Bank Activities

### *Japan, Germany Become Members*

On August 13 Japan became a member of the International Monetary Fund and the International Bank for Reconstruction and Development when the articles of agreement of these institutions were signed in Washington on behalf of the Government of Japan by His Excellency Eikichi Araki, Ambassador to the United States.

Japan's quota in the International Monetary Fund is 250 million dollars and its subscription to the capital stock of the Bank is 2,500 shares with a total par value of 250 million dollars.

The Federal Republic of Germany on August 14 became a member of the International Monetary Fund and the International Bank for Reconstruction and Development when the articles of agreement of these institutions were signed in Washington on behalf of the Government of the Federal Republic by Hans E. Riesser, Counselor of the Diplomatic Mission to the United States.

The quota of the Federal Republic of Germany in the International Monetary Fund is 330 million dollars and its subscription to the capital stock of the Bank is 3,300 shares with a total par value of 330 million dollars.

Fifty-three nations are now members of the Fund and of the Bank. Admission of Germany brought the total of members' quotas in the Fund to \$8,733,500,000. The total subscribed capital of the Bank is now \$9,033,500,000.

## *Joint Bank-U.N. Mission Arrives in Panama*

The International Bank for Reconstruction and Development has announced that a joint Bank-U.N. mission arrived in Panama on August 18 for discussions with Panamanian authorities. His Excellency, Roberto M. Heurtematte, Panamanian Ambassador to the United States, is accompanying the group.

The mission consists of Federico Consolo of the Bank's Loan Department, Pentti Pajunen, of the Bank's Economic Department, and H. J. van Mook, Director of the Public Administration Division of the U.N. Technical Assistance Administration. They expect to be in Panama about a week.

In September and October of 1951 an International Bank mission visited Panama at the invitation of the Government to study Panama's economic problems to ascertain how the Bank could most fruitfully assist Panama in her economic development. The report of the mission has been transmitted to the Government through Ambassador Heurtematte. The present group is being sent as a result of the recommendations in that report.

In the course of its stay in Panama, the mission will assist officials in planning the first steps to be taken by Panama towards its further economic development. They will also discuss the kinds of technical assistance that will be needed to carry out this development.

## U.S. To Make Second Dollar Payment to Korea

Press release 655 dated August 22

The U.S. Government is taking the necessary steps to effect in the near future a substantial second dollar payment to the Republic of Korea for won currency advanced by the Republic of Korea to U.S. Forces in Korea for local expenses.

This payment, as well as subsequent settlements, is governed by the terms of notes exchanged on May 24, 1952, between representatives of the U.S. Government and the Republic of Korea.<sup>1</sup>

It is anticipated that these dollar payments to the Korean Government will materially aid that Government in developing a balanced import program which will supplement current U.S. and U.N. contributions of consumer goods and essential raw materials for the Korean economy.

<sup>1</sup> For unofficial text of the agreement between the two Governments, see BULLETIN of June 16, 1952, p. 943.



## Israel to Receive U.S. Military Aid

Press release 631 dated August 11

The Government of the United States and the Government of Israel concluded an agreement on July 23, whereby Israel became eligible to receive military equipment on a reimbursable basis from the United States under the provisions of the Mutual Security Act of 1949, as amended.

Israel can now make application for the purchase of equipment and materials from U.S. stocks, in return for payment at fair value.

Israel presented its official request for military assistance early in 1952.

Other governments in the Near East already eligible to purchase equipment on a reimbursable basis under the act mentioned are Egypt and Saudi Arabia.

## U.S. Sends Pocket Libraries to India

Press release 653 dated August 21

Nearly half a million literary ambassadors of good will are en route to India from the U. S. in display crates of 102 paper-bound books each. The small libraries are destined for 4,500 places throughout India. The pocketbooks will be placed in their attractive display cartons in such places as municipal libraries, reading rooms, student hostels, labor union reading rooms, schools, and other public places.

The books were specially selected to present a well-rounded, vivid picture of life in the United States to Indian readers, who will borrow the books with no red tape. A printed sign on each library carton carries this inviting message:

These books are available for your use. Take one. Please return it when you are finished. Your comments will be welcomed. Please address them to the nearest United States Information Library.

In this manner, the U.S. Information Service Libraries, managed by the Information Center Service of the International Information Administration, Department of State, hope to reach the 6½ million Indians who read English.

The colorful books were purchased by the Department of State at best wholesale prices from various publishers, including Bantam Books, Pocketbooks, New American Library, and Avon Books. Selections include such fiction titles as *Room on the Route*, *Saratoga Trunk*, *The Way West*, and *David Harum*. The universally interesting subject of child care is treated in such works as *Having A Baby*, by Dr. A. F. Guttmacher, and *Pocket Book of Baby and Child Care*, by Benjamin Spock. The lives of great Americans are represented by *Abraham Lincoln*, by

Lord Charnwood, the *Autobiography of Benjamin Franklin*, and *Jefferson*, by Saul Padover.

The dangers of communism are powerfully portrayed in Crossman's *The God That Failed* and Edmund Steven's *This Is Russia, Uncensored*. Other categories include books on American philosophy, science, drama, self-improvement, semantics, poetry, and humor.

Indian readers have ample chance to combat the Communist claim that America lacks culture through such books as *Ballet*, by George Amberk, *Arts and the Man*, by Irwin Edman, and *The Pocket Book of American Painting*, by James Thomas Flexner.

If this experiment with pocket libraries proves successful in India, other countries throughout the world may be sent similar libraries so that English-reading peoples everywhere can learn through these low-cost books the truth about the United States and its people.

### PUBLICATIONS

#### Recent Releases

*For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.*

**Telecommunications, Allocation of Television Channels Along United States-Mexican Border.** Treaties and Other International Acts Series 2366. Pub. 4489. 8 pp. 5¢.

Agreement between the United States and Mexico—Signed at México Aug. 10 and Sept. 26, 1951; entered into force Sept. 26, 1951.

**Health and Sanitation, Cooperative Program in Colombia.** Treaties and Other International Acts Series 2368. Pub. 4495. 4 pp. 5¢.

Agreement between the United States and Colombia supplementing agreement of Sept. 15 and Oct. 20, 1950—Signed at Bogotá Sept. 5 and Oct. 10, 1950; entered into force Oct. 18, 1951.

**Health and Sanitation, Cooperative Program in Honduras, Additional Financial Contributions.** Treaties and Other International Acts Series 2371. Pub. 4498. 4 pp. 5¢.

Agreement between the United States and Honduras—Signed at Tegucigalpa Aug. 7 and 14, 1951; entered into force Aug. 14, 1951.

**Education, Cooperative Program in Peru, Additional Financial Contributions.** Treaties and Other International Acts Series 2374. Pub. 4501. 4 pp. 5¢.

Agreement between the United States and Peru—Signed at Lima Oct. 18 and 23, 1951; entered into force Oct. 23, 1951.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### Calendar of Meetings<sup>1</sup>

#### Adjourned during August 1952

UN (United Nations):		
Economic and Social Council:		
Fourteenth Session of Council . . . . .	New York . . . . .	May 20-Aug. 1
Economic Commission for Asia and the Far East:		
Working Party on Small Scale Industries and Handicrafts Marketing: 2d Meeting.	Bangkok . . . . .	July 28-Aug. 1
Inland Transport Committee, Highway Subcommittee: 1st Session.	Bangkok . . . . .	Aug. 18-23
UNESCO (United Nations Educational, Scientific and Cultural Organization):		
International Center for Adult Education—Workers' Education . . . . .	Paris . . . . .	July 12-Aug. 31
Meeting of Committee to Draft Convention for the Protection of Objects of Cultural Value in the Event of Armed Conflict.	Paris . . . . .	July 21-Aug. 9*
Seminar on Education in World Citizenship, especially in Human Rights.	Woudschoten, Zeist, Netherlands.	Aug. 3-27
WMO (World Meteorological Organization):		
First Meeting of Commission for Maritime Meteorology . . . . .	London . . . . .	July 14-Aug. 5
Eighteenth Conference of the International Red Cross . . . . .	Toronto . . . . .	July 23-Aug. 7
Eighth General Assembly of the Inter-American Commission of Women.	Rio de Janeiro . . . . .	July 23-Aug. 10
PAICH (Pan American Institute of Geography and History):		
Third Consultation on Geography . . . . .	Washington . . . . .	July 25-Aug. 4
International Rubber Study Group: Working Party . . . . .	London . . . . .	July 30-Aug. 30*
First Australian—New Zealand—United States Council Meeting (ANZUS).	Kaneohe, Oahu, T. H . . . . .	Aug. 4-6
Eighth General Assembly of the International Geographical Union . . . . .	Washington . . . . .	Aug. 8-15
International Radio Scientific Union: 10th General Assembly . . . . .	Sydney . . . . .	Aug. 11-21
Sixth International Grassland Congress . . . . .	State College, Pennsylvania.	Aug. 17-23
Fourth International Congress of Onomastic Sciences . . . . .	Uppsala . . . . .	Aug. 18-21
International Championships for 1952 Military Pentathlon . . . . .	Brussels . . . . .	Aug. 18-22
International Wine Office: 32d Plenary Session of the Committee . . . . .	Freiburg . . . . .	Aug. 19-23

#### In Session as of August 31, 1952

International Materials Conference . . . . .	Washington . . . . .	Feb. 26, 1951-
International Conference on German Debts . . . . .	London . . . . .	Feb. 28-
Twenty-sixth Biennial International Exhibition of Art . . . . .	Venice . . . . .	June 14-
Inter-American Seminar on Vocational Education . . . . .	University of Maryland . . . . .	Aug. 2-
International Conference on Agricultural and Cooperative Credit . . . . .	University of California, Berkeley	Aug. 4-
Thirteenth International Exhibition of Cinematographic Art . . . . .	Venice . . . . .	Aug. 8-
Sixth International Edinburgh Film Festival . . . . .	Edinburgh . . . . .	Aug. 17-
UNESCO (United Nations Educational, Scientific and Cultural Organization):		
International Conference to Negotiate a Universal Copyright Convention.	Paris . . . . .	Aug. 18-
ICAO (International Civil Aviation Organization):		
Aeronautical Information Services Division: 1st Session . . . . .	Montreal . . . . .	Aug. 19-
ITU (International Telecommunication Union):		
International Radio Consultative Committee (CCIR): Study Group X.	Geneva . . . . .	Aug. 20-
UN (United Nations):		
Commission on Prisoners of War: 3d Session . . . . .	Geneva . . . . .	Aug. 25-
Forty-first General Assembly of the Interparliamentary Union . . . . .	Bern . . . . .	Aug. 28-

#### Scheduled September 1–November 30, 1952

Fourth International Congress of Anthropological and Ethnological Sciences.	Vienna . . . . .	Sept. 1-
FAO (Food and Agriculture Organization):		
Working Party of Experts to Study an International Emergency Food Reserve.	Rome . . . . .	Sept. 1-
FAO-ECLA Central American Seminar on Agricultural Credit . . . . .	Guatemala City . . . . .	Sept. 15-
Second Meeting of the Technical Advisory Committee on Desert Locust Control.	Rome . . . . .	Sept.-

<sup>1</sup> Prepared in the Division of International Conferences, Department of State, August 22, 1952. Asterisks indicate tentative dates.

*Calendar of Meetings—Continued*

**Scheduled September 1–November 30, 1952—Continued**

Eucalyptus Study Tour . . . . .	Australia . . . . .	Sept.—
Latin American Meeting on Livestock Production . . . . .	Brazil . . . . .	Sept.—
Committee on Financial Control . . . . .	Rome . . . . .	October*
Fourth Session of the Indo-Pacific Fisheries Council . . . . .	Manila . . . . .	October*
UN (United Nations):		
Economic and Social Council:		
Economic Commission for Asia and the Far East:		
Second Regional Conference of Statisticians . . . . .	Bangkok . . . . .	Sept. 1—
Inland Transport Committee, Inland Waterway Subcommittee:	Bangkok . . . . .	Sept. 16—
1st Session.		
Working Party of Experts on Mobilization of Domestic Capital:	Bangkok . . . . .	Sept. 22—
2d Session.		
Subcommission on the Prevention of Discrimination and Protection	New York . . . . .	Sept. 22—
of Minorities: 5th Session.		
Committee on Industry and Trade, Subcommittee on Electric	Bangkok . . . . .	Oct. 14—
Power.		
Inland Transport Committee, Railway Subcommittee: 1st	Bangkok . . . . .	Oct. 20—
Session.		
Committee on Industry and Trade, Seminar on Power Alcohol . . . . .	Lucknow . . . . .	Oct. 23—
<i>Ad Hoc</i> Committee on Factors (Non-Self-Governing Territories) . . . . .	New York . . . . .	Sept. 4—
Ecosoc: Restrictive Business Practices: 3d Session . . . . .	Geneva . . . . .	Sept. 8—
Committee on Information from Non-Self-Governing Territories . . . . .	New York . . . . .	Sept. 11—
General Assembly Committee on Administrative Unions . . . . .	New York . . . . .	Sept. 23—
<i>Ad Hoc</i> Committee on Forced Labour: 3d Session . . . . .	Geneva . . . . .	Oct. 14—
General Assembly: 7th Session . . . . .	New York . . . . .	Oct. 14—
Trusteeship Council: 11th Session (2d Part) . . . . .	New York . . . . .	October*
International Children's Emergency Fund:		
Executive Committee . . . . .	New York . . . . .	November
Program Committee . . . . .	New York . . . . .	November
Seventh Annual Meeting of the Boards of Governors of the Bank for	Mexico City . . . . .	Sept. 3—
Reconstruction and Development & the International Monetary		
Fund.		
Eighth General Assembly of the International Astronomical Union . . . . .	Rome . . . . .	Sept. 4—
Second International Congress on Analytical Chemistry . . . . .	Oxford (England) . . . . .	Sept. 4—
Conference of International Union of Family Organization . . . . .	Oxford (England) . . . . .	Sept. 8—
Nineteenth International Geological Congress . . . . .	Algiers . . . . .	Sept. 8—
Thirteenth International Horticultural Congress . . . . .	London . . . . .	Sept. 8—
ICAO (International Civil Aviation Organization):		
Special Diplomatic Conference to Conclude a Convention on Damage	Rome . . . . .	Sept. 9—
Caused by Foreign Aircraft to Third Parties on the Surface.		
Statistics Division: 2d Session . . . . .	Montreal . . . . .	Sept. 16—
Air Navigation Commission: 11th Session . . . . .	Montreal . . . . .	Sept. 23—
Aerodromes, Air Routes & Ground Aids Division Meeting: 5th	Montreal . . . . .	Oct. 21—
Session.		
Standing Committee on Aircraft Performance: 3d Session . . . . .	North America . . . . .	Nov. 11—
ILO (International Labor Organization):		
Chemical Industries Committee: 3d Session . . . . .	Geneva . . . . .	Sept. 9—
Petroleum Committee: 4th Session . . . . .	Scheveningen . . . . .	Oct. 14—
Governing Body: 120th Session . . . . .	Geneva . . . . .	Nov. 25—
WMO (World Meteorological Organization):		
Third Session of the Executive Committee . . . . .	Geneva . . . . .	Sept. 9—
UNESCO (United Nations Educational, Scientific and Cultural Organ- ization):		
International Seminar on the Role of Museums in Education . . . . .	Brooklyn . . . . .	Sept. 14—
International Congress of the Arts . . . . .	Venice . . . . .	Sept. 21—
Fourth Meeting of Representatives of National Commissions . . . . .	Paris . . . . .	Nov. 8—
General Conference: 7th Session . . . . .	Paris . . . . .	Nov. 18—
PASO (Pan American Sanitary Organization):		
6th Meeting of the Directing Council of PASO, and Fourth Meeting of	Habana . . . . .	Sept. 15—
the Regional Committee for the Americas of WHO.		
17th Meeting of Executive Committee . . . . .	Habana . . . . .	Sept. 10—
18th Meeting of Executive Committee . . . . .	Habana . . . . .	Sept. 25—
First Inter-American Congress on Public Health . . . . .	Habana . . . . .	Sept. 26—
Fourth International Congress of African Tourism . . . . .	Lourenço Marques . . . . .	Sept. 15—
International Sugar Council, Meeting of Special Committee . . . . .	London . . . . .	Sept. 29—
WHO (World Health Organization):		
Fourth Meeting of the Regional Committee for the Americas (See also	Habana . . . . .	Sept. 15—
PASO).		
Western Pacific Regional Conference: 3d Session . . . . .	Saigon . . . . .	Sept. 25—
Twenty-first International Congress of Housing and Urbanization . . . . .	Lisbon . . . . .	Sept. 21—
Fourth Meeting of the International Scientific Committee for Trypano- somiasis Research.	Lourenço Marques . . . . .	Sept. 25—
International Council for the Exploration of the Sea . . . . .	Copenhagen . . . . .	Sept. 29—

**Scheduled September 1–November 30, 1952—Continued**

ISI (Inter-American Statistical Institute):		
Committee on Improvement of National Statistics: 2d Session . . . . .	Ottawa . . . . .	Sept. 29–
Fourth Meeting of the Executive Board of the International Council of Scientific Unions.	Amsterdam . . . . .	Sept. 30–
Sixth General Assembly of the International Council of Scientific Unions . . . . .	Amsterdam . . . . .	Oct. 1–
ITU (International Telecommunication Union):		
Telecommunications Plenipotentiary Conference . . . . .	Buenos Aires . . . . .	Oct. 1–
GATT (General Agreement on Tariffs and Trade):		
Seventh Session of the Contracting Parties to GATT . . . . .	Geneva . . . . .	Oct. 2–
International Conference on Legal Metrology, Meeting of Provisional Committee.	Brussels . . . . .	Oct. 2–
South Pacific Commission: 10th Session . . . . .	Nouméa . . . . .	Oct. 6–
International Committee on Weights and Measures: Biennial Session. . . . .	Sèvres . . . . .	Oct. 7–
World Convention of Manufacturers of Paints and Inks . . . . .	Mexico City. . . . .	Oct. 8–
PICMME (Provisional Intergovernmental Committee for the Movement of Migrants from Europe):		
Meeting of Finance Subcommittee . . . . .	Geneva. . . . .	Oct. 9–
Fourth Session of PICMME . . . . .	Geneva. . . . .	Oct. 13–
PAIGH (Pan American Institute of Geography and History):		
Sixth Consultation of the Commission on Cartography. . . . .	Ciudad Trujillo . . . . .	Oct. 12–
Eighth Pan American Congress of Architects. . . . .	Mexico City. . . . .	Oct. 19–
First Ibero-American Congress on Archives, Libraries and Copyrights . . . . .	Madrid. . . . .	Oct. 20–
Pan American Highway Congress: Extraordinary Session . . . . .	Mexico City. . . . .	Oct. 26–
Inter-American Economic and Social Council:	Undetermined. . . . .	October*
Third Extraordinary Meeting.		
International Wool Study Group: 5th Meeting . . . . .	London. . . . .	October
Fourth Inter-American Congress of Radiology . . . . .	Mexico City. . . . .	Nov. 2–
West Indian Conference: 5th Session . . . . .	Jamaica. . . . .	Nov. 24–

**Provisional Agenda for Seventh General Assembly**

*Following is a list of items appearing on the provisional agenda of the seventh regular session of the General Assembly, which is scheduled to convene at New York on October 14:*

U.N. doc. A/2158  
Dated August 15, 1952

1. Opening of the session by the Chairman of the delegation of Mexico
2. Minute of silent prayer or meditation
3. Appointment of a Credentials Committee
4. Election of the President
5. Constitution of the Main Committees and election of officers
6. Election of Vice-Presidents
7. Adoption of the agenda
8. Opening of the general debate
9. Report of the Secretary-General on the work of the Organization
10. Report of the Security Council
11. Report of the Economic and Social Council
12. Report of the Trusteeship Council
13. Election of three non-permanent members of the Security Council
14. Election of six members of the Economic and Social Council
15. Election of two members of the Trusteeship Council
16. Korea:
  - (a) Reports of the United Nations Commission for the Unification and Rehabilitation of Korea (resolutions 376 (V) of 7 October 1950 and 507 (VI) of 5 February 1952)
  - (b) Reports of the United Nations Agent-General for Korean Reconstruction (resolutions 410 A (V) of 1 December 1950 and 507 (VI) of 5 February 1952)
17. Regulation, limitation and balanced reduction of all armed forces and all armaments: report of the Disarmament Commission (resolution 502 (VI) of 11 January 1952)
18. Methods which might be used to maintain and strengthen international peace and security in accordance with the Purposes and Principles of the Charter: report of the Collective Measures Committee (resolution 503 (VI) of 12 January 1952)
19. Admission of new Members (resolution 506 (VI) of 1 February 1952):
  - (a) Status of applications still pending: report of the Security Council
  - (b) Request for an advisory opinion from the International Court of Justice: draft resolution proposed by Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua at the sixth session (A/C.I/708)
20. Report of the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (resolution 302 (IV) of 8 December 1949)
21. Eritrea report of the United Nations Commissioner in Eritrea (resolution 390 (V) of 2 December 1950)
22. Treatment of people of Indian origin in the Union of South Africa (resolution 511 (VI) of 12 January 1952)
23. Repatriation of Greek children: reports of the Secretary-General and of the international Red Cross organizations (resolution 517 (VI) of 2 February 1952)

24. Appointment of members of the Peace Observation Commission (resolution 377 (V) of 3 November 1950)
25. Additional assistance to Libya for financing its economic and social development: report of the Economic and Social Council (resolution 515 (VI) of 1 February 1952)
26. Economic development of under-developed countries:
  - (a) Financing of economic development of under-developed countries: report of the Economic and Social Council (resolution 520 A (VI) of 12 January 1952)
  - (b) Methods to increase world productivity: report of the Economic and Social Council (resolution 522 (VI) of 12 January 1952)
  - (c) Land reform: report of the Secretary-General (resolution 524 (VI) of 12 January 1952)
  - (d) Technical assistance for the economic development of under-developed countries
27. Co-ordination between the United Nations and the specialized agencies:
  - (a) Administrative and budgetary co-ordination: reports of the Secretary-General and of the Advisory Committee on Administrative and Budgetary Questions
  - (b) Programme of conferences at Headquarters and Geneva: report of the Secretary-General (resolution 534 (VI) of 4 February 1952)
28. Report of the United Nations High Commissioner for Refugees (resolution 428 (V) of 14 December 1950)
29. Draft Protocol relating to the Status of Stateless Persons (resolution 539 (VI) of 4 February 1952)
30. Freedom of information:
  - (a) Problems of freedom of information, including the study of the draft Convention on freedom of information (resolution 541 (VI) of 4 February 1952)
  - (b) Dissemination by governments of resolutions adopted by organs of the United Nations and communicated to them by the Secretary-General: item proposed by the Economic and Social Council
31. Human rights:
  - (a) Draft International Covenants on Human Rights and measures of implementation: report of the Economic and Social Council (resolutions 543 (VI), 545 (VI), and 547 (VI) of 5 February 1952)
  - (b) Recommendations concerning international respect for the self-determination of peoples: report of the Economic and Social Council (resolution 545 (VI) of 5 February 1952)
32. Administrative unions affecting Trust Territories: special report of the Trusteeship Council and report of the Committee on Administrative Unions (resolution 563 (VI) of 18 January 1952)
33. The Ewe and Togoland unification problem: special report of the Trusteeship Council (resolution 555 (VI) of 18 January 1952)
34. Information from Non-Self-Governing Territories transmitted under Article 73 e of the Charter: reports of the Secretary-General and of the Committee on Information from Non-Self-Governing Territories:
  - (a) Information on social conditions and development (resolution 565 (VI) of 18 January 1952)
  - (b) Information on other conditions (resolution 333 (IV) of 2 December 1949)
  - (c) Transmission of information (resolutions 218 (III) of 3 November 1948, 447 (V) and 448 (V) of 12 December 1950, and 551 (VI) of 7 December 1951)
35. Question of the renewal of the Committee on Information from Non-Self-Governing Territories (resolution 332 (IV) of 2 December 1949)
36. Participation of Non-Self-Governing Territories in the work of the Committee on Information from Non-Self-Governing Territories: report of the Committee on Information from Non-Self-Governing Territories (resolution 566 (VI) of 18 January 1952)
37. Factors which should be taken into account in deciding whether a territory is or is not a territory whose people have not yet attained a full measure of self-government: report of the *Ad Hoc* Committee on Factors (Non-Self-Governing Territories) (resolution 567 (VI) of 18 January 1952)
38. Cessation of the transmission of information under Article 73 e of the Charter in respect of the Netherlands Antilles and Surinam (resolution 568 (VI) of 18 January 1952)
39. Question of South West Africa (resolution 570 (VI) of 19 January 1952):
  - (a) Implementation of the advisory opinion of the International Court of Justice: report of the *Ad Hoc* Committee on South West Africa
  - (b) Examination of any report on the administration of South West Africa which may be transmitted by the Government of the Union of South Africa: report of the *Ad Hoc* Committee on South West Africa
40. Financial reports and accounts, and reports of the Board of Auditors:
  - (a) United Nations, for the financial year ended 31 December 1951
  - (b) United Nations International Children's Emergency Fund, for the financial year ended 31 December 1951
  - (c) United Nations Relief and Works Agency for Palestine Refugees in the Near East, for the financial year ended 30 June 1952
  - (d) United Nations Korean Reconstruction Agency, for the financial year ended 30 June 1952
41. Audit reports relating to expenditure by specialized agencies of technical assistance funds allocated from the Special Account (resolution 519 (VI) of 12 January 1952)
42. Supplementary estimates for 1952: report of the Secretary-General
43. Budget estimates for the financial year 1953:
  - (a) Budget estimates prepared by the Secretary-General
  - (b) Reports of the Advisory Committee on Administrative and Budgetary Questions
44. Report of the Negotiating Committee on Extra-Budgetary Funds (resolution 607 (VI) of 29 January 1952)
45. Appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly:
  - (a) Advisory Committee on Administrative and Budgetary Questions
  - (b) Committee on Contributions
  - (c) Board of Auditors
  - (d) Investments Committee: confirmation of the appointment made by the Secretary-General
  - (e) United Nations Administrative Tribunal
  - (f) United Nations Staff Pension Committee
46. United Nations Joint Staff Pension Fund:
  - (a) Annual report of the United Nations Joint Staff Pension Board for the year ended 31 December 1951
  - (b) Second actuarial valuation of the United Nations Joint Staff Pension Fund: report of the Actuary
  - (c) Amendments to the regulations for the United Nations Joint Staff Pension Fund: report of the United Nations Joint Staff Pension Board
47. Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (resolution 582 (VI) of 21 December 1951)
48. Headquarters of the United Nations: report of the Secretary-General (resolution 589 (VI) of 2 February 1952)
49. United Nations Postal Administration: report of the Secretary-General (resolution 454 (V) of 16 November 1950)

50. Staff regulations of the United Nations. Question of a probationary period: reports of the Secretary-General and of the Advisory Committee on Administrative and Budgetary Questions
51. Measures to limit the duration of regular sessions of the General Assembly: report of the Secretary-General (decision of the General Assembly at its 373rd plenary meeting held on 4 February 1952)
52. Report of the International Law Commission on the work of its fourth session
53. International criminal jurisdiction: report of the Committee on International Criminal Jurisdiction (resolution 489 (V) of 12 December 1950)
54. Methods and procedures of the General Assembly for dealing with legal and drafting questions: report of the Special Committee (resolution 597 (VI) of 20 December 1951)
55. Question of defining aggression: report of the Secretary-General (resolution 599 (VI) of 31 January 1952)
56. Ways and means for making the evidence of customary international law more readily available: report of the Secretary-General (resolution 602 (VI) of 1 February 1952)
57. Request of the Government of China for revision of the Chinese text of the Convention on the Prevention and Punishment of the Crime of Genocide (resolution 605 (VI) of 1 February 1952)
58. Draft Code of Offences against the Peace and Security of Mankind: report of the International Law Commission covering the work of its third session, Chapter IV (decision of the General Assembly at its 341st plenary meeting held on 13 November 1951)
59. Status of claims for injuries incurred in the service of the United Nations: report of the Secretary-General (resolution 365 (IV) of 1 December 1949)
60. Giving priority to the codification of the topic "Diplomatic intercourse and immunities" in accordance with article 18 of the Statute of the International Law Commission: item proposed by Yugoslavia
61. Award of the citation "Died for the United Nations" to persons who, in certain circumstances, are killed in the service of the United Nations: item proposed by France
62. The Tunisian question: item proposed by Afghanistan, Burma, Egypt, India, Indonesia, Iran, Iraq, Lebanon, Pakistan, the Philippines, Saudi Arabia, Syria, and Yemen
63. The question of Morocco: item proposed by Iraq
64. Draft Convention on Political Rights of Women: item proposed by the Economic and Social Council
65. Question of the adoption by the Economic and Social Council and its functional commissions of Spanish as a working language: item proposed by the Economic and Social Council

## U.S. Delegations to International Conferences

### Aeronautical Information Services Division (ICAO)

The Department of State, on August 18, announced that the Aeronautical Information Services Division of the International Civil Aviation Organization (ICAO) will hold its first session at Montreal beginning August 19, 1952, to develop procedures and specifications for materials to be

used in the international dissemination of aeronautical information.

The U.S. delegation to this meeting is as follows:

#### *U.S. Delegate*

Edward R. McCarthy, Commander, U. S. N., Chief, Aeronautical Chart Branch, Division of Charts, U.S. Coast and Geodetic Survey, Department of Commerce

#### *Advisers*

E. Thomas Burnard, International Specialist, Operations Division, Air Transport Association of America, Inc.  
George D. Childress, Chief, Aviation Extension Division, Office of Aviation Development, Civil Aeronautics Administration, Department of Commerce

Harland E. Hall, Chief, General Aeronautical Services Section, Airways Operations Division, Office of Federal Airways, Civil Aeronautics Administration, Department of Commerce

Richard G. Hoyer, Major, U. S. A. F., Chief, Aeronautical Information Branch, MATS, Planning and Operations Division, Aeronautical Chart and Information Service, U.S. Air Force

Robert A. Mushet, Assistant Head for Production, Aeronautical Information Branch, Division of Air Navigation, U.S. Navy Hydrographic Office

Jamie B. Stewart, Lt. Comdr., Plans and Projects Officer, Division of Air Navigation, U.S. Navy Hydrographic Office

Gerald F. Tise, Technical Adviser to the Chief, Aeronautical Information Branch, Aeronautical Charts and Information Service, U.S. Air Force

This Division is one of the subcommissions established for each of the major technical fields by the ICAO Air Navigation Commission, which is assisting the ICAO Council in the preparation of technical annexes to the Convention on International Civil Aviation and in the other technical work of the organization.

At the forthcoming Division meeting, specialists representing the governments which are members of ICAO will discuss (1) suitable international standards, recommended practices and procedures for aeronautical information services, including languages, specifications, abbreviations, and other items concerning publications; (2) improvement in the efficiency of Aeronautical Information Services (AIS), including the development of a worldwide plan for the gathering and distribution of aeronautical information, the development of an AIS manual for operational purposes, and the dissemination by ICAO of intelligence concerning services provided by ICAO members for aeronautical information; (3) facilitation of the exchange of aeronautical information among states, especially the more effective use of air transport for this purpose; (4) NOTAM (Notices to Airmen) communications, including the further development of the NOTAM Code, and the requirements for distributing NOTAMS by wire or broadcast; (5) aeronautical charts, especially radio facility charts as related to aeronautical publications and standard specifications for display charts; and (6) plans for future meetings of the Division.

# President Proclaims Increased Import Duty on Dried Figs

White House press release dated August 16

## STATEMENT BY THE PRESIDENT

I have today signed a proclamation increasing the import duty on dried figs by two cents per pound. This action was recommended unanimously by the Tariff Commission. It will be effective August 29, 1952.

There is some indication that the necessity for this step is due to abnormal crop and seasonal factors and that the situation is of a temporary nature.

In its report, the Tariff Commission has stated that it will keep the domestic situation under surveillance. I am, therefore, suggesting that the Department of State also keep the foreign situation under surveillance, and, should developments justify it, that the Department of State request the Tariff Commission to review the facts next year in time to make any appropriate recommendations before the beginning of the 1953 marketing season.

## TEXT OF PROCLAMATION<sup>1</sup>

1. WHEREAS, pursuant to the authority vested in the President by the Constitution and the Statutes, including section 350 of the Tariff Act of 1930, as amended, on April 21, 1951, I entered into a trade agreement providing for the accession to the General Agreement on Tariffs and Trade of certain foreign countries, including the Republic of Turkey, which trade agreement consists of the Torquay Protocol to the General Agreement on Tariffs and Trade, dated April 21, 1951, including the Annexes thereto, and by Proclamation No. 2929 of June 2, 1951 (3 CFR, 1951 SUPP., 27; TD 52739), I proclaimed such modifications of existing duties and other import restrictions of the United States of America and such continuance of existing customs or excise treatment of articles imported into the United States of America as were then found to be required or appropriate to carry out the said trade agreement on and after June 6, 1951, which proclamation has been supplemented by several notifications of the President to the Secretary of the Treasury, including a notification dated October 2, 1951 (3 CFR, 1951 SUPP., 540; TD 52836);

2. WHEREAS, as set forth in the 7th recital of the said Proclamation No. 2929, and in accordance with paragraph 3 of the said Torquay Protocol, Schedule XX contained in Annex A of the said Protocol (hereinafter referred to as

the "Torquay schedule") became a schedule to the General Agreement on Tariffs and Trade relating to the United States of America on June 6, 1951;

3. WHEREAS item 740 in Part I of the Torquay schedule reads as follows:

<i>Tariff Act of 1930, paragraph</i>	<i>Description of Products</i>	<i>Rate of Duty</i>
740	Figs, fresh, dried, or in brine--	2½¢ per lb.

4. WHEREAS, pursuant to the said Proclamation No. 2929 and the said notification of the President to the Secretary of the Treasury of October 2, 1951, duty at the rate of 2½ cents per pound has been applied to the products described in the said item 740, entered, or withdrawn from warehouse, for consumption since October 17, 1951, which duty reflects the prevailing United States concession with respect to such products under the said General Agreement on Tariffs and Trade as supplemented by the said Torquay schedule;

5. WHEREAS the United States Tariff Commission has submitted to me its report of investigation and hearing under section 7 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Congress, approved June 16, 1951), on the basis of which investigation and hearing it has found that dried figs described in the said item 740 are, as a result in part of the duty reflecting the concession granted thereon in the said General Agreement on Tariffs and Trade as supplemented by the Torquay schedule, being imported into the United States in such increased quantities, both actual and relative, as to cause serious injury to the domestic industry producing like or directly competitive products, and as to threaten continuance of such injury;

6. WHEREAS the said Tariff Commission has recommended that the concession granted in the said General Agreement as supplemented by the Torquay schedule with respect to dried figs described in the said item 740 be modified to permit the application to such products of a rate of duty of 4½ cents per pound, which rate the Commission found and reported to be necessary to prevent the continuance of serious injury to the domestic industry producing like or directly competitive products;

7. WHEREAS section 350 (a) (2) of the Tariff Act of 1930, as amended, authorizes the President to proclaim such modifications of existing duties as are required or appropriate to carry out any foreign trade agreement that the President has entered into under the said section 350 (a); and

8. WHEREAS, upon the modification of the concession granted in the said General Agreement as supplemented by the Torquay schedule with respect to dried figs described in the said item 740 in accordance with the recommendation of the Tariff Commission mentioned in the 6th

<sup>1</sup> No. 2986; 17 *Fed. Reg.*, 7567.

recital of this proclamation, it will be appropriate to carry out the said General Agreement as supplemented by the Torquay schedule to apply to the said dried figs the rate of duty specified in the said 6th recital:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, acting under the authority vested in me by section 350 of the Tariff Act of 1930, as amended, and by section 7 (c) of the Trade Agreements Extension Act of 1951, and in accordance with the provisions of Article XIX of the said General Agreement, do proclaim

(a) That the provisions of item 740 of Part I of the Torquay schedule shall be modified, effective at the close of business August 29, 1952, so as to read as follows:

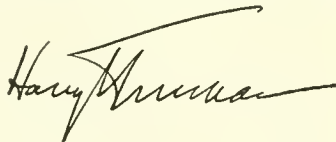
<i>Tariff Act of 1930, paragraph</i>	<i>Description of Products</i>	<i>Rate of duty</i>
740	Figs:	
	Fresh or in brine . . . . .	2½¢ per lb.
	Dried . . . . .	4½¢ per lb.

(b) That, until the President otherwise proclaims, the rates of duty specified in such modified item 740, as set forth in paragraph (a) above, shall be applied to articles entered, or withdrawn from warehouse, for consumption after the close of business August 29, 1952. The said Proclamation No. 2929 is modified accordingly. So long as this proclamation remains in force, the provisions of Proclamation No. 2867 of December 22, 1949 (3 CFR, 1949 SUPP., 55; TD 52373) and Proclamation No. 2874 of March 1, 1950 (3 CFR, 1950 SUPP., 21; TD 52423), insofar as they provide for carrying out United States obligations with respect to the rate of duty on dried figs described in item 740 of Part I of Schedule XX in Annex A of the Ancey Protocol of Terms of Accession to the General Agreement on Tariffs and Trade, shall be suspended.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this sixteenth day of August, in the year of our Lord nineteen hundred and fifty-two, and of the Independence of the United States of America the one hundred and seventy-seventh.

[SEAL]



By the President:

DAVID BRUCE

*Acting Secretary of State*

## Export-Import Bank Transmits Semiannual Report to Congress

On August 19 the Export-Import Bank of Washington transmitted its semiannual report for the half year which ended June 30, 1952, to the Congress and the President. The report also summarizes the Bank's activities for the whole of the fiscal year which ended on the same date.

The Bank is one of the profitable financial activities of the Government. It paid a dividend of 20 million dollars to the Treasury on July 1 out of profits made during the fiscal year ending June 30; a similar dividend was paid in July 1951. At

the same time the Bank added 31.8 million dollars to its accumulated earned reserves, which now total 266.6 million dollars. The profits used for the dividend and accruing to reserves arose out of interest earnings of 70 million dollars, less administrative expenses of 1 million dollars and interest payments of 17.2 million dollars to the United States Treasury.

The Bank pays interest to the Treasury under the law at a rate determined by the Secretary of the Treasury and based upon average cost to the Treasury of funds borrowed in the market. The current rate on new borrowings of the Bank from the Treasury is 2 percent.

During the 6 months which ended on June 30, the directors authorized new credits in the amount of 413.3 million dollars and allocated approximately 30.5 million dollars to specific projects out of credits previously authorized. In the same period, the Bank paid out 185 million dollars to borrowers and received repayments of principal in the amount of 85 million dollars plus the interest payments of 70 million dollars. As of June 30, 1952, there was owed to the Bank from borrowers 2.4 billion dollars, while it had on its books loan commitments not yet paid out amounting to 911.9 million dollars, which brought the total of active credits to 3,311.9 million dollars.

The Bank has authorization under the Export-Import Bank Act of 1945, as amended, to have outstanding loans and commitments in an amount not in excess of 4,500 million dollars. Thus the uncommitted lending authority as of the end of the fiscal year stood at 1.2 billion dollars.

The Bank's activities during the fiscal year covered a wide geographical scope. Loans were outstanding in 47 countries on all continents. Loans were made during the year for economic development purposes in distant countries and others for scarce materials needed in the defense program of the United States. Typical of the former class was a loan of 20 million dollars to the National Power Corporation, an agency of the Philippine Government, for construction of a hydroelectric power plant on the Agno River north of Manila. This loan will meet the pressure of increased demand for power for industrial, household, and farm uses and at the same time will save the Philippines dollar exchange now being used to buy oil to supply Diesel and steam electric-generating plants.

Loans also were made to two important railroads in Brazil, the Santos a Jundiá and the Paulista, amounting together to 15.6 million dollars. The loans were to buy new equipment and to modernize the brake and coupler systems simultaneously so as to permit the continued exchange of cars, as well as the interchange of traffic with the Central Railroad of Brazil. The Santos a Jundiá connects the important city of São Paulo with the seaport of Santos and also makes connection with the Paulista, which serves the heart of the



very important agricultural state of São Paulo. The Bank also made a commitment for loans in the amount of 41 million dollars to seven operating subsidiaries of the Brazilian Electric Power Company, which is in turn a subsidiary of the American and Foreign Power Company and represents investments by a great many American stockholders.

Typical of the scarce materials credits were loans for the production of tungsten and sulfur in Latin America and for uranium production in Africa. Another credit, even more directly connected with National Defense, was for military end-items for use by the NATO countries under Defense Department contracts.

Included in the year's activities were short-term loans in the amount of 173 million dollars to finance the export of cotton and 10 million dollars for tobacco exports.

The Bank continued during the year to act as the agent of the Mutual Security Administrator in administering credits and guaranties under the Foreign Assistance and Mutual Security Acts.

At the fiscal year's end the Bank had under consideration loans for strategic materials production in both near and distant countries, including railway and power projects allied to defense production in Africa and strategic materials production in Latin America, Africa, and Australia.

Institute of Pacific Relations. Report of the Committee on the Judiciary, 82d Cong., 2d sess., Pursuant to S. Res. 366 (81st Congress)—A Resolution Relating to the Internal Security of the United States. Hearings held July 25, 1951—June 20, 1952 by the Internal Security Subcommittee. S. Rept. 2050, 82d Cong., 2d sess. 244 pp.

Authorizing the Loan of Certain Naval Vessels to Government of Japan. S. Rept. 2074, 82d Cong., 2d sess. [To accompany H. R. 8222] 3 pp.

The Katyn Forest Massacre. Interim Report of the Select Committee To Conduct an Investigation and Study of the Facts, Evidence, and Circumstances of the Katyn Forest Massacre Pursuant to H. Res. 390 and H. Res. 539 (82d Congress)—A Resolution To Authorize the Investigation of the Mass Murder of Polish Officers in the Katyn Forest Near Smolensk, Russia. H. Rept. 2430, 82d Cong., 2d sess. 31 pp.

Annual Report of the Committee on Un-American Activities for the Year 1951. H. Rept. 2431, 82d Cong., 2d sess. 30 pp.

An Act To Revise the Laws Relating to Immigration, Naturalization, and Nationality; and for Other Purposes. Public Law 414, 82d Cong., Chapter 477, 2d sess. H. R. 5678. 120 pp.

Federal Deposit Insurance—Puerto Rico. S. Rept. 1990, 82d Cong., 2d sess. [To accompany H. R. 5120] 2 pp.

Prohibiting the Transportation of Lethal Munitions in Interstate or Foreign Commerce. H. Rept. 2358, 82d Cong., 2d sess. [To accompany S. 1429] 6 pp.

## THE DEPARTMENT

## Current Legislation on Foreign Policy

An Act Making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1953, and for other purposes. Pub. Law 495, 82d Cong., Chapter 651, 2d sess., H. R. 7289. 26 pp.

An Act To extend certain privileges to representatives of member states on the Council of the Organization of American States. Pub. Law 486, 82d Cong., Chapter 628, 2d sess., S. 2042. 1 p.

Supplemental Appropriation Bill, 1953. Hearings before the Committee on Appropriations, United States Senate, Eighty-second Congress, Second Session, on H. R. 8370, An act making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes. Committee print. 573 pp.

International Convention for the High Seas Fisheries. Hearing before the Committee on Foreign Relations, United States Senate, Eighty-second Congress, Second Session; on Executive S, 82d Cong., 2d sess. International Convention for the High Seas Fisheries of the North Pacific Ocean, Together With a Protocol Relating Thereto, Signed at Tokyo, May 9, 1952, on Behalf of the United States, Canada, and Japan. June 27, 1952. Committee print. 66 pp.

An Act To authorize the loan of certain naval patrol-type vessels to the Government of Japan. Pub. Law 467, 82d Cong., Chapter 591, 2d sess., H. R. 8222. 1 p.

Requesting the Secretary of Defense To Furnish to the House of Representatives Full and Complete Information With Respect to Insurgency in Prisoner-of-War Camps in Korea and Communist-Inspired Disturbances of the Peace in Japan. H. rept. 2129, 82d Cong., 2d sess. [To accompany H. Res. 662] 13 pp.

## Appointment of Officers

Joseph M. Dodge as Consultant to the Secretary on economic and financial matters affecting Japan.

## Check List of Department of State Press Releases: Aug. 18–22, 1952

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington 25, D.C.

Press release issued prior to Aug. 18 which appears in this issue of the BULLETIN is No. 631 of Aug. 11.

No.	Date	Subject
646	8/18	Text of Soviet note on Austrian treaty
647	8/18	Franco-American memorial ceremony
648	8/18	Aeronautical Information Services
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The Department of State

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## CRUSADE OF IDEAS

by Wilson Compton

*Administrator, U.S. International Information Administration*<sup>1</sup>

I AM GLAD for this occasion which has brought me here today to meet with you in a State which has been my second home for more than 50 years. I want to discuss some urgent public problems with you. Also, quite frankly, I want your help in solving them. The voice of America has been called the greatest pulpit in the world for the preaching of democracy. If so, I am asking you to share it with me. I speak to you not as a professional publicist, nor as a professional Foreign Service officer, nor as a professional diplomat, but merely as an American citizen, proud of his country and wishing to help preserve for his grandchildren and yours the "promise of American life."

One hundred and seventy-five years ago an American patriot, Thomas Paine, said: "These are times that try men's souls." I have often pondered that statement as you have pondered it. I have reflected on the events which have occurred in our time—two world conflagrations in which we had to fight to preserve our freedom in the hope of a just and lasting peace. Seven years ago, after the last of the great powers to oppose us in World War II had laid down their arms a half a world away, we thought peace had come. Now it is clear that the ideals for which American boys and their comrades fought and died have not been won. Today 800 million people are captive behind a wall of tyranny and fear—prisoners in part of propaganda, in Russia, Eastern Europe, and China. Another billion, many of whom are

war-ravaged and destitute, lie barely outside the wall which separates them from servitude to a ruthless state.

No thoughtful person who looks at the world today can be complacent. No man can take comfort in turning his back on grim realities. In every crisis of our national history, our courage has been tested, our patience tried, our resources strained. But this is different. These times also try men's pocketbooks, but, more than that, they try men's faith.

The present-day facts of international life require as much American heroism, as much Yankee courage, and as much patriotic devotion as has ever been required of the people of this country from the days when our forefathers fought for independence. So I am grateful for the opportunity to talk to you today—to you who so valiantly have defended your country in war and who now are so actively working for peace.

### Present World Crisis

A world crisis is upon us because of the lust for conquest of a mighty imperialist power bent on aggression. Ruthless international communism threatens the roots of free civilization and the moral and spiritual foundations upon which it is based. We face an aggressor, who, not content with robbing men of their material wealth, seeks to rob men of their souls, an aggressor who disclaims religion, denies human dignity, makes of men not the masters but the servants of the state. We are engaged in a mighty contest between world faith and world fear.

War veterans understand the implications of the world crisis. You have not been content with mere exhortations that we must win the peace

<sup>1</sup>Address made before the Annual Convention of AMVETS at Grand Rapids, Mich., on Aug. 29 and released to the press (no. 673) on the same date. Also printed as Department of State publication 4696.

without another war. Your own "Operation Friendship," conceived, as you put it, "in the hearts of Americans who believe in the preservation of the dignity of man, . . . who believe that we must seek for our children the kind of world we dreamed of but may never see," is already spreading its message of good will overseas. I understand that, at your initiative "Friendship Balls," bearing cards with the names and addresses of American children, have been sent to the children of Italy and that another shipment is in prospect. So in a way, I am speaking to my own partners in a great enterprise. You are helping to pave the highway to peace.

There is no better way, except by personal contact, to encourage friendship and understanding throughout the world than the way which you have chosen—that of correspondence between the youth of America and the youth of other nations. The International Information Administration commends your "Operation Friendship" and hopes that its forces will grow.

#### **Basis of U.S. Foreign Policy**

United States foreign policy is based on the long-range objective of peace and freedom with improved opportunity for all the peoples of the world. It is a policy of the Golden Rule. We know that only in such a world may the people of the United States hope to maintain in peace their own way of life—a way of life in which the state is the servant of the people, where the individual has a right to choose and a chance to choose—a way of life which has provided the greatest freedom and the highest standard of living in world history. We want a world in which no single power may dictate how things are or how they shall be. We want a world at peace. But we want a just peace.

#### **Communist Propaganda**

We have now to deal with the most far-flung, expensive, treacherous, and insidious propaganda the world has ever known. Recently the Soviet Union's "Campaign of Hate" against the United States has been intensified. Now it is directed not against "Wall Street," its favorite target, or against the Government, but against the *people* of the United States, against you and me—like the practice of the international Communists in Czechoslovakia of teaching even little children

to sing "songs of hate" of America. The Big Lie has become the Big Black Lie. Let me cite an example from an article which appeared in *Pravda*, the official Communist Party newspaper in Moscow, on August 9. The ink is scarcely dry on this statement which I quote:

"The Korean press reports fresh facts of the crimes of the American interventionists in Korea. During the temporary occupation of . . . [the] south P'yongyang province, the paper *Minchu Chosen* writes, American soldiers, by threat of arms drove the inhabitants of the rural district to a certain place on the pretext of a meeting for welcoming the American forces. The occupiers then picked all the young women out of the crowd and locked them in empty warehouses. All the women were then raped. The American butchers began to brand patches on the women's bodies with heated irons and nails. All the women who resisted the ravishers had a wire put through their nose by the Americans and they were led by this wire through the village. The monsters gouged out the eyes of many women and hacked lumps of flesh out of their bodies. The butchers disembowled several pregnant women who fell into their hands during the temporary occupation of the town of Sariwen."

This propaganda by the Soviets reaches a new low in the fabrication of so-called American "atrocities." Tragically it is the kind of propaganda about America and Americans to which millions throughout the world are being regularly exposed. It shows the unprecedented, political immorality of the present leadership of international communism. Faced by this condition do you think that the voice of America should be silent, or that more power should be added to its voice?

On direct propaganda alone at home and abroad the Soviet Union spends over a billion dollars a year. Nearly a half billion more is spent in the "satellite" countries. Nor does this include the vast sums spent indirectly on subversive activities, on popular front infiltrations, and on similar campaigns where the Soviets have the help of an active Communist Party. The international Communists are spending, relative to the national income of the countries which they dominate, more than 10 times as much to maintain the Big Lie as we are spending to sustain the Big Truth. It takes more to maintain a big lie than to maintain a big truth. That is true. But this discrepancy is too great and by this time we must know that the world-wide aggression by international communism is not a "feather duster" campaign.

There are now 6,000 local propaganda schools

throughout the Soviet Union with an enrollment of more than 185,000 students. There are 177 regional schools with 135,000 students of advanced propaganda techniques. There are a dozen higher institutions which give so-called "graduate" instruction in propaganda to thousands of postgraduate students. Some of these "graduate students" in recent years have been Chinese, and we are well aware of the present-day consequences of that fact.

Added to all this, nearly every citizen in the Soviet Union is given propaganda training. Surveys of information available to the Department of State indicate that the greater part of the intelligentsia of the Soviet Union, some five to ten million persons, are trained propagandists, trained, that is, to carry out, along with their other duties, propaganda objectives defined by the state.

### **Need for Armament of Ideas**

Our program of rearmament, the North Atlantic Treaty Organization, the Organization of American States, under the Rio Pact, our mutual security treaties in the Pacific—all of these, I am proud to say, endorsed by your great organization—are our immediate answer to the threat of international Communist aggression. But that is not enough. Wars have been won by arms and armaments. But peace has never been won that way, nor kept. If you have doubts, read your history. It is said half cynically that "the Lord is on the side of the heaviest battalions." But that at most is a half-truth. "Not by might, nor by power, but by My Spirit, saith the Lord." Armies, it is true, have been able to destroy peoples. But armies have never been able to destroy ideas. In the long run, ideas are more powerful than guns. The march of history has proven that. Our own national history is essentially the history of an idea—the idea of freedom, the freedom and the chance to choose. Why does every American school boy know about the Declaration of American Independence? Why do we exact of every public officer a solemn pledge to protect and defend the Constitution of the United States? Why do we cling so tenaciously to the Bill of Rights for which also our fathers before us fought and bled and died? It is not merely because these are honored historic documents. It is because they embody what you and I know as the "promise of American life," a promise which we wish and intend to preserve for our children.

We are making gigantic investments in armaments. We are doing this because we must. But we should never forget that the only reason that we make these investments in the means of war is in the hope that by preventing war we may have a chance to continue our investments in the means of peace. If we want to try to avoid or prevent a world-wide war of arms, we must make a greater investment in the world-wide war of ideas. There is no gain in winning a war and losing a peace. We need an armament of ideas as much as we need an armament of guns. Above all, the whole free world needs a spiritual rearmament, a renewed allegiance to the ideals which have made the free world free, which are vital to keep it free.

For these purposes the United States now has in its arsenal for the war of ideas two principal weapons: first, the International Information Administration or, as it is commonly called, the "Voice of America"; and second, the Technical Cooperation Administration, commonly identified as Point Four, which, with respect especially to underdeveloped countries, is seeking to help others to help themselves. Our combined yearly investment in these two related activities is less than one-half of one percent of our yearly investment in arms and armaments. This is not enough.

You remember the story of Nehemiah, one of the greatest of the epics in the Old Testament. Nehemiah was a Jew. When the Children of Israel had been taken captive and the City of Jerusalem destroyed by the armies of Babylon, Nehemiah became a wine bearer in the palace of the Babylonian King. Nehemiah asked the King to permit him to return to Jerusalem to find out what had happened to the "City of his fathers." The King told him to go; and sent a guard of soldiers with him. Nehemiah found the walls of Jerusalem, he wrote, to be "broken down and the gates thereof consumed with fire"; and he said unto his people: "Let us rise up and build."

But the Ammonites in the surrounding plains did not want Jerusalem rebuilt. They laughed at Nehemiah and his little crew of helpers. But Nehemiah kept on building the wall. Then they tried cajolery, then propaganda, then threats. But Nehemiah kept on building. He "set a watch against them day and night," as the ancient story goes. He "set in the lower places behind the wall, and on the higher places, the people and their families, with their swords, their spears, and their

bows. And it came to pass that half of the people wrought in the work and the other half of them held the spears, the shields, the bows and the habergeons," and "everyone with one of his hands wrought in the work and with the other hand held a weapon."

Finally the Ammonites tried trickery. Sanballat, the chief of the plainmen, sent a messenger to Nehemiah saying: "Come down into the plains of Ono and let us reason together" for they thought to destroy him. But Nehemiah would not be deflected from his purpose to rebuild the walls of Jerusalem; and the answer which he sent to Sanballat still comes down through the ages of history as a ringing challenge to you and to me and to all those who would build a better world. This was Nehemiah's answer: "I am doing a great work and I will not come down. Why should the work cease whilst I leave it and come down to you?" So they finished the wall!

My young friends, veterans of a great war which we fought for a peace which we have not yet won, if you want to fortify your own determination to "keep on keeping on" in the struggle for peace—a just peace, peace with freedom—I suggest that you read again in the sixth chapter of Nehemiah this challenging story out of an heroic past. We too have our present-day Sanballats. But we also have our Nehemiahs. We too are living today, as did our Pilgrim fathers, who each day went out to till their fields with a hoe on one shoulder and a musket on the other.

Today, we are spending 50 billion dollars a year to provide the "spears, the shields, the bows, and the habergeons" needed to protect us while with other free peoples we rebuild the walls of democracy. Comparatively we are neglecting the war of ideas.

And yet, during the long years ahead, as we build and maintain a defensive shield, the war of ideas backed by positive programs of political, social, and economic progress is one of our greatest hopes for peace.

We have a better than even chance to win the peace, if we do what we can do to win it. We have great collective power on our side in the fight for peace, potentially great military power, great economic power, great resources of self-reliance. But we have much more than that—great moral power if we will harness it for the public good. There is that spiritual force which springs from man's innate belief in a God and in a moral law. This

belief is an important common denominator of mutual interest between peoples who are free or who hope for freedom. There is the historic superiority of truth over falsehood, the power of love over hate, and of faith over fear; and there are the miracles of humanity and justice which have transformed the lives of peoples since the beginning of time.

Americans are a religious people. We prize the spiritual significance of our great political achievements as a nation—achievements which uphold the dignity and the rights of the individual man. We seek in our international relations to manifest outwardly our inner spiritual beliefs.

We need to make more use of these powerful spiritual forces. We need to point out to the peoples of the world that we are missionaries not conquerors, equals not superiors, helpers not masters; and that we seek not empire but mutual opportunity and mutual security. If we do this, we will not be thwarted by the reactionary and spiritually barren philosophy of international communism. But it is not an easy road, nor will it be traveled by easy-going men. If we are to live in a dangerous world, there must be heroism in our way of life.

### **The Campaign of Truth**

In recent months the International Information Administration has occasionally been pressed to "take a leaf out of the book of the Big Lie" of the international Communists. We have rejected this advice and will continue to reject it. The "Voice of America" will never be the voice of Americans unless it is the voice of truth. If we were to model ourselves after the treacherous pattern of international communism, we would lose even if we won.

This great Campaign of Truth on which we are engaged is no place for half-hearted Americans. This is a mission and those who engage in it must have a *sense of mission*. I have said to the thousands of my colleagues in this American missionary enterprise throughout 88 countries of the world that we must carry the flag, not merely on the Fourth of July, but every day in our hearts.

Are we actually reaching the minds and hearts of men in other lands? We may at least safely say that the progress which has been made toward the integration of Western Europe, militarily and economically, would not have been made had it



not been for the help of our United States information services in Europe. In West Germany the people have stood staunchly by the democratic deal despite the constant, poisonous, and threatening barrage of Communist propaganda. In France the circulation of Communist newspapers has dropped more than 50 percent during the past 5 years, and the membership in Communist labor unions even more. Communism has lost ground in Italy.

We are holding our own in the Middle East, making some gains in Southeast Asia. We have now no access to the people behind the Iron Curtain except by radio. This puts a heavy responsibility upon our "Voice of America." We have unmistakable evidences too that the Soviet Union has not succeeded in jamming the "Voice of America" out of the air and, despite threats, repercussions, and reprisals, that we do have a substantial regular listening audience behind the Iron Curtain.

But your Government alone cannot do all that needs to be done. The assistance of private organizations is essential to the ultimate success of our overseas information and educational exchange program. Our work must be supplemented and fortified by the efforts of mission-minded private groups. After all the historic voice of America, for over 170 years of the life of the Republic, has been through normal trade and travel and the exchange of communications, and it should be our national purpose to restore these normal contacts.

We have set up within the International Information Administration a Private Enterprise Cooperation Division at the service of any private agency, business firm, nonprofit organization, or individual who can contribute overseas to America's Campaign of Truth.

Your own organization has been one of the first to help fill this gap in our effort toward world understanding. I congratulate you on the courage and leadership which you have shown and, in behalf of your Government, I thank you. The World Veterans Federation which you joined not long ago may well become an effective multinational movement dedicated to freedom and democracy.

There are no more convincing propagandists for peace than the men who have themselves been in war. A group of war veterans' organizations representing every free country could be one of

the most powerful factors for peace, freedom, and democracy in the world today. I hope you will persevere in your effort to foster such an international movement.

The affirmative values of our society have been deeply inspiring to those who have seen and felt their creative force. That is why millions overseas are eagerly waiting at the gates for opportunity to come to America to live. But we do not always present our best side to the world. In our enthusiasms and in our impatience to get things finished we do not always make ourselves understood. Yet we expect others to recognize us for the "good neighbors" that we really are.

It is the purpose of the "Voice of America" to reach to all parts of the world with the facts about what is happening in America and elsewhere in the world. It is a part of our own democratic faith that people, if informed of the truth, will accept the truth and will live by it.

So each year we are bringing to this country, so that they may see American life first-hand, thousands of leaders of thought and opinion from other countries. For the same reason we are sending American leaders and students abroad as "missionaries," to carry to others a message of faith and hope from America. That too is why we are beaming the truth about the United States every day in 46 languages over the radio networks of the "Voice of America" to a potential worldwide audience of nearly 300 million persons. That is why we maintain information centers and libraries, showcases, so to speak, of American life and thought, located in 150 strategic areas of the world.

That is why we furnish 10,000 foreign newspapers and government officials a daily wireless news bulletin; and why we distribute each year 200 million pamphlets and booklets, giving to other people the facts about America. That is why we picture the American scene to 250 million persons annually, in 43 languages, through motion-picture films.

No one is wise enough to foresee the end of the present world-wide contest of ideas. It may last indefinitely. International communism may be expected to increase its aggressions, at least its aggressive propaganda.

Our national security requires a continuing voice overseas. We must not neglect the war of ideas any more than we dare neglect the war of armaments. The "Voice of America" throughout

the world must be clear enough and powerful enough to rise above the tide of hateful propaganda of international communism. It must be a voice of freedom—of faith and hope. It must be the voice of truth; and it must have the understanding, the interest, and the support of the millions of Americans for whom it speaks.

There are few organizations in America which collectively and individually can contribute as much to these noble objectives as can this great

association of war veterans to which I am privileged to speak this afternoon. So I ask you again to shoulder arms for your country, but this time to shoulder arms in the battle for men's minds. If this is a crusade, it is a crusade in which all Americans may join who are interested in preserving for all men the right to freedom of choice and for their own children and grandchildren, the "promise of American life." It is the only road to peace.

## Present Day Relationship Between Military Power and Civil Authority

*by Charles B. Marshall*

I have been asked to discuss civil-military relations in the American constitutional framework. Let me start with some simple definitions:

All government relates to the achievement of results.

The capability to achieve results is power.

All government therefore involves power.

One form of such power is force.

By force I mean, first, the capacity to transmit energy and so to expend it as to do vital harm to an adversary and, second, the deterrent, compulsive effect exerted by the existence of this capacity.

The state involves the bringing to bear of force in two distinguishable ways.

One relates to police affairs—involving the application of force in particular, limited situations to require submission to public authority.

The other relates to military affairs—involving application of force in relation to general purposes of state—its survival, its expansion, and the like.

The line of distinction is not always sharp. In certain instances the differences may break down. Particular defiances of public authority may merge into general defiance, transforming a police into a military problem. The opposite may also occur.

Rather than dwell on this distinction between force in its police and force in its military frame-

work, let me get on to the distinction between force and other forms of power employed in the service of the state.

### **Distinction Between Force and Other Forms of Power**

The capacity for force is only one of many possible elements in the reservoir of power. The others pertain to economic strength, to the integrity of political position, to the degree of confidence and good will commanded, and to many other factors.

The force factors are susceptible of precision. The elements are concrete. Within planned limits of time and space absolute solutions can be projected in terms of exercise of force.

This is a source of temptation. It leads anxious and ambitious rulers to turn to the wanton use of force to compel a compliance denied to the use of other means. This engrossment of other means by force produces the police state.

By the same token it may lead to the quest of absolute solutions of the peripheral frustrations and anxieties of a political society. This produces the militaristic state.

Very often these two things go hand in hand. The anxieties and afflictions producing hatred of responsibility in one frame of reference usually operate in the other as well.

## Instances From Our Historic Past

A central and persistent problem of the state is how to organize and control the factors of force so as to prevent those in command from so using it as to escape responsibility in the use of power.

This problem was relevant in the rebellion against the Crown. The peacetime deployment into American territory of forces not subject to the same line of authority as governed in colonial civil affairs was one of the galling circumstances giving rise to the impulse to independence.

This problem was relevant again when in the immediate sequel to independence a few heady veterans dreamed passingly of imposing themselves as the dominant element in a political society cast in a military mold.

This problem emerged again when the contradictions of politics outran the capacity of politics to resolve contradictions and produced the Civil War. I refer especially to the clash of will and authority between the President and General McClellan.

"Little Mac" had two mistaken ideas. The first was that the employment of violence, rather than politics, to resolve the problems of the state *ipso facto* makes the military arm ascendant over the civil arm. The second was that supreme command in the field subsumes supreme authority in all relevant matters. For these mistakes "Little Mac" was relieved. He nurtured dreams of a political vindication. His contention was that Presidential interposition had frustrated victory and that the war consequently was a failure. He did not succeed in making this cogent to a sufficient proportion of the electorate.

The same problem became relevant again in a way when, in the sequel to the fighting phases of the Civil War, the President and the Congress divided on the question whether military means should be laid aside at once or continued for a season so as to work further changes in relationships before the restoration of normal political methods within the reintegrated Union.

The phase brought on by triumph of the congressional view favoring the continued employment of military means—not in violence but in occupation as a substitute for civil authority—was perhaps the bitterest and most destructive in our history. Its scars still mark and its neuroses yet afflict the body politic.

Yet this was not a civil-military struggle at root. The contest over reconstruction was a contest between rival elements of civil authority, and one of them turned to military means to forward its own political purposes. This is worth noting. The problem of civil-military relations is how to inhibit political abuse of military matters just as much as it is the inhibiting of military abuse of political matters.

These instances from our historic past shed neager light on the present, however.

In our prevailing experience as a Nation, the issue of military domination was immaterial. The passing incidents of international war were mainly peripheral adventures not involving national survival. Armed forces of negligible proportions, supported by a popular militia inveterately proficient in use of firearms, were deemed enough to give national security. No massive threat confronted the United States from any quarter.

Within a generation past it was possible for a President, without appearing ridiculous, to instruct the War Department to desist from further activity in war plans since the possibility of hostilities had ceased to be of material concern to the United States, and for a Secretary of State to assert that America was impregnable because a million farmers with shotguns would spring to her defense in case of any threat of invasion.

Those were the times in which we sailed on what Lord Bryce called America's summer sea.

America was busily engaged in developing the bases of its world power—a vast continental range integral to both the Northern and the Western Hemispheres, a richly productive economy, and strong political institutions based upon principles of accountability and freedom—without a real grasp of the eventual implications of such power.

This development was made possible by the fact of the diffusion of power among several nations of great magnitude.

That fact ceased to be a fact all within a lifetime.

## Primary Positions of the U.S. and the U.S.S.R.

Two nations, the United States and the Soviet Union, have emerged into positions of primary magnitude in contrast to the former diffusion of power.

The confrontation between them takes the form of a contest over the issue whether the clash of cultures, the problem of working out relationships between the rest of the world and the peoples newly come to freedom, and the problem of weapons and security are to be exploited to widen the scope and strengthen the foundations of a monopoly of the Kremlin, or to be resolved on the basis of accommodation arrived at by a free concurrence.

No combination of nations adequate to cope with the Soviet power is conceivable without the support and participation of the United States.

While novel to us, this situation was well foreseen by perceptive minds in our long past.

For example, Jefferson wrote to John Adams in 1816: "We are destined to be a barrier against the returns of ignorance and barbarism." Of our continental position he said: "What a stand will it secure as a ralliance for the reason and freedom of the globe!"

In the same vein, Walt Whitman wrote a generation later:

Long, too long America  
Traveling roads all even and peaceful, you learned  
from joys and prosperity only.  
But now, ah now, to learn from crisis of anguish,  
advancing, grappling with direst fate and recoiling  
not.  
And now to conceive and show to the world what your  
children en masse really are.

Let us say something now of the circumstances in which we are called upon to show the world what we Americans really are.

The power developed in the era of freedom provided by the balance of power now permanently involves us. This fact deprives us of the old sense of freedom. By being permanently involved, the Nation has lost also the power to alter the world situation dramatically and suddenly by interposing its weight. Thus it is deprived of its former sense of efficacy.

These circumstances have drastically and secularly altered the relationship of military power and civil authority.

I do not intend to labor a description of the present arrangements for collaboration between the civil and the military components of the Government.

Rather I want to point out briefly and broadly the points of crux in the new situation.

One point is the shift of the primary focus of the national effort and the national consciousness about public concerns to the factors of national security in world relations rather than upon internal development.

I do not mean to say that everyone in the Nation has suddenly become preoccupied with the problems of foreign policy and strategy to the exclusion of interest in domestic affairs. Regardless of how the individual citizen may apportion his daily worrying time, an unprecedented part of his daily effort, whether he knows it or not, goes to the support of national security in a strictly military sense.

### Points of Focus for the U.S. Citizen

The point of focus in the Government itself, both in the executive branch and in the Congress, is on national security and military concerns to a degree undreamed of in the historic past of this country.

This is going to be the case at best for a long time to come, notwithstanding the tendency of many to speak as if this were only a passing phase to be put behind us by some stroke of policy or some spontaneous alteration of circumstance. The situation in which concentration on military concerns and security was only the job of a season is permanently gone.

To the matters of primacy and permanence of concern I would add the new factor of size.

How the military spend their money ceases to

be merely a question of marginal economizing. It now becomes one of the chief determinants in the economic life of the Nation.

The factor of magnitude is important in another way also. The military mechanism, notwithstanding that we may speak of it in terms of weapons and budgets, is essentially a collection of individuals.

The permanent and expanded military effort entails the normal expectation and experience of military life by the young American.

This will produce a steady increment of veterans as a factor in society and in the politics of the electorate.

I do not know the full significance of this. It does indicate, however, that the effects of military indoctrination and experience on political attitudes will be of enormous permanent importance. It will fall to military authority not only to superintend a military machine but also to operate a permanent school for citizens.

This symptom of increasing participation of the military in national life has its counterpart in the increasing military participation in policy making

### Military Participation in Policy Making

This is reflected in the National Security Act of 1947 establishing the National Security Council as a supreme body immediately below the President and as an adjunct to him in the consideration of problems of national security.

The intention was to create a continuous *rappor* between the civil and military elements in working out the answers in the fields where statesmanship and the military arts coincide.

I do not want to discuss the organization and procedure of the National Security Council. I want to make a point only to the continuing evidences of misgiving in the Nation over the idea that something of that sort is working out.

Just a few weeks ago, in the question period following a speech at Philadelphia, a lady asked me as to the truth of disturbing reports to the effect that generals and admirals were entering more and more into the sphere of policy decisions. She also asked me as to the truth of reports of the importance of the role of Gen. Omar Bradley in the affairs of Government.

This sort of thing is not confined to a lady in Philadelphia. One notes, recurringly, comments reflecting a premise of something dangerous in the preference of generals and admirals in the councils of state. Just a couple of weeks ago, I noted a great deal of discussion in the press in regard to the fact of a briefing of a Presidential candidate by a general in a position of considerable authority.

The tone of much of the comment implied something evil in the mingling of military knowledge and politics.

Let me emphasize this. Our foreign policy is now objectified in a pattern of military coalitions. These cover the American Hemisphere. They em

brace the countries of Western Europe and carry to the eastern shores of the Mediterranean. They extend to the reaches of the Pacific in a nexus of alliances with New Zealand, Australia, the Philippines, and Japan. In the same area we are carrying on limited hostilities in Korea with a coalition in support of foreign-policy objectives.

The fact of being the integrating member of a complex pattern of coalitions is in itself something quite new in our national experience. It brings the military into foreign policy pervasively as never before.

Coalition relationships are difficult and delicate things to handle, requiring the keenest tempering and balancing of civilian and military considerations with one's allies.

In like fashion, the deployment of military forces abroad in occupation duties in recent years has raised novel questions in our constitutional experience.

In our past were periods of brief and limited occupations of foreign areas, but none approached in magnitude and complexity the problems of occupation in the wake of World War II, when American forces became for a time virtually a sovereign arm in large portions or in all of the area of defeated nations.

### **The Question of Military Secrecy**

That the military have been the operating and responsible arm of Government in undertakings so vitally a part of foreign policy as the Occupation of Germany and Japan illustrates the sterility of the notion of somehow keeping military concerns and foreign affairs compartmentalized.

I think it well to get in mind the identity of the element of danger in military participation in councils of state.

It is not that generals and admirals should have a voice, and a significant voice, in councils of state. A crucial consideration is whether their voice is the only voice heard or heeded.

I take it that the danger point is reached when, as in the Kaiser's conferences at Pless in the winter of 1916-17, the military voice becomes the only significant voice and those who make the ultimate decisions of state listen to them to the exclusion of other authorities in disposing the power of the state.

I do not think we are anywhere near that danger. At the same time I do not suggest that we put it out of our mind. It is basic to the principles of responsibility that no man and no group ever get a monopoly on being heard.

This brings me to the matter of military secrecy.

Information is a form of power. The uninformed man is in a necessitous position in dealing with the informed man. An official in one line of responsibility dealing with an official in another line of responsibility, withal conscious

of the other's knowledge of something denied to himself and bearing essentially on the problems of mutual concern, simply cannot feel equality of relationship in the sense that equality is essential if consent is to be elicited and concurrence is to be free.

This poses a potentially grave problem in relation to the maintenance of lines of responsibility within our Government in junctures like the present.

Absolute secrecy applies to some of the knowledge most vital to the survival of the state. These are military secrets, available only to highest military authorities.

Factors of which they control exclusive knowledge form the basis on which the highest decisions affecting the survival of the state must be made. The manner and the degree of the withholding or disclosing of such information are determinative of the views and decisions of other agents of the Government and of the Congress.

I know of no formula for solving the difficulties and dangers latent in a situation where knowledge of data fundamental to the survival of the state is a monopoly of its military magistrates. I would not suggest abandonment or weakening of the standards of secrecy. My only point is that this situation poses a problem entirely novel in our national experience, one deserving of closest and most persistent study to see how such secrecy can be maintained without derogation to the principles of responsibility.

The relevance to relations particularly between the military and the Congress of this matter of a monopoly of certain types of information is obvious.

The vesting in the military of the authoritativeness inherent in the monopoly of the information bearing most vitally on the security of the state has potential implications on the question where in the executive establishment will be the dominant voice in counseling the Congress on policy related to our world position.

The danger of congressional interposition to divide the executive establishment against itself is latent in our institutional arrangements. It has happened before. The threats have been more numerous than the occurrences.

### **Degree of Trust Reposed in the Military**

Let me suggest that there is an unnecessary invitation to this sort of thing inherent in the National Defense Act of 1947, which establishes the Joint Chiefs of Staff as principal military advisers, not to the President and the executive establishment alone but also specifically and directly to the Congress.

Just as it is hard to serve two masters, it is hard to be a principal adviser to each of two separate branches of political authority.

Let me mention another point of crux involving the degree of trust to be reposed in the military. Here the question is a little different, and applies to trust imposed in and power allotted to the executive in general as well as to the military in particular.

I refer to the need of producing margins of power in the conduct of policy in relation to the security concerns of the Nation.

During World War II, I was conversing one day with a very able general for whom I served as executive officer. I expressed the view that in a perfectly planned war the victor would come to the moment of victory with his warehouses empty.

He said this was a sophomoric idea because the side whose warehouses are empty at the last moment of struggle is bound to be the losing side.

He said: "In war it is the surpluses which produce the margins by which one prevails. In war to have just enough is to have not quite enough."

The wisdom of that observation applies to a situation of vital struggle like the present, even though we may not call it war.

To have had some uncommitted divisions available at crucial junctures in the Korean struggle would, I believe, have altered the situation drastically. It would have given the United Nations Command a flexibility denied in the actual circumstances. By the same token, it would have impinged on the scope permitted the adversary.

The same applies to the desirability of having on hand a few air groups beyond the absolute needs.

### Preserving the Old Spirit Under New Pressures

I shall go further and say that to have a few hundreds of millions of dollars worth of supplies and power in the reservoir for foreign spending, above and beyond the immediate requirements, would give the Government a power of quick interposition not available to it now, and yet one most desirable in the present world circumstances.

To lack such margins puts a nation recurrently in the position of the dwarf who rode up eight floors in the elevator and then walked three more floors, all because he was too short to reach the eleventh button.

Yet the traditions of our Constitution, the principles of separation of powers and the practices of congressional scrutiny of executive requirements in general and of military requirements in particular make it remote from probability in any circumstances, short of formal war, that the executive in general and the military in particular will be provided with disposable elements of power beyond needs demonstrable in advance.

So far I have talked mostly about high-level relationships.

The new scope of interchange between the civil and the military is felt along the line.

The difference between the military and the civilian viewpoint in government—let me put it this way, between the problems of force and the other problems of power—are manifested in myriad contacts every day.

I emphasize the difference between problems rather than difference between the minds dealing with them. I want to avoid any easy clichés about the military mind.

Why military men do, in general, think differently from those concerned with other aspects of government is explicable in terms of the material with which they deal.

Military concerns are more concrete than policy concerns in general. They can be more readily reduced to precision, to definition, and to procedure.

The military man is likely therefore to feel impatience in dealing with the methodology of others and unwarily jump to the conclusion that all human affairs might be brought to as complete solutions as a problem of battle, if planned with the precision and neatness of military planning.

The cure for this lies in more reciprocal familiarity developed through experience and indoctrination and not in the unrealistic expectation that military men should be caused to think like civilians or vice versa.

Lord Wavell spoke of this problem a few years ago:

. . . . In acquiring proficiency in his branch the politician has many advantages over the soldier; he is always in the field while the soldier's opportunities of practicing his trade in peace are few and artificial.

. . . . The politician, who has to persuade and confute, must keep an open and flexible mind: the mind of the soldier . . . is apt to be fixed, drilled and attached to definite rules. I will not take the comparison further; that each should understand the other better is essential. . . .

The heart of the problem—whether in establishing *rapport* between civilian and military public servants, in handling military secrets without derogating responsibility, or in adjusting the national economy to military budgets of huge magnitude—is one of preserving the old spirit under new pressures.

Certainly no more than half of this job will fall to the military. The rest of it must fall on the civil components of government and society.

Their part of the job cannot be done merely on the basis of Jeffersonian suspicion of the military arm.

In responding to these circumstances, in preserving the old spirit under new pressures, we shall show the world what we really are.

• *Mr. Marshall is a member of the Policy Planning Staff, Department of State. The above article is derived from an address made before the American Political Science Association, Buffalo, N. Y., on Aug. 28.*

## **Draper Report on Major European Economic, Political, and Military Developments**

### **TEXT OF AMBASSADOR DRAPER'S REPORT**

White House press release dated August 28

22 AUGUST 1952

MR. PRESIDENT:

I submit the following informal report and commentary covering the first half-year of my tenure as United States Special Representative in Europe, following my arrival in Paris on January 28 last. Since the Office which I have the honor to head represents our Government on a regional basis, I have attempted to picture my over-all impressions of the play of events on the European scene during recent months.

#### **The Trend Toward Integration**

The fourteen countries banded together in the North Atlantic Treaty Organization have been moving steadily forward during 1952 and have made substantial progress toward their common objectives. As a political group, NATO is becoming stronger and more closely united. In the economic field the severe financial crises which were brewing last winter have been kept within bounds, the European standard of living has been maintained, and a clear-cut movement is under way toward closer economic integration. At the same time the mutual effort to build a strong collective defense has been gaining ground slowly but surely.

Above all, I have been greatly inspired by the dedication of all fourteen NATO Governments to their primary and common purpose of maintaining their free way of life and preventing World War III. These governments understand that only by presenting a united front in both the political and the military sense can they hope to counteract the threat of internal and external Communist aggression. This understanding has permeated and inspired every important discussion and conference I have attended during the past six months.

It was this spirit of give and take in the common need for unity that brought successful agreement at Lisbon in February after failure had been

openly predicted. This same driving force has now brought the Schuman Plan into being, with six countries joined together to develop their basic economic resources through the European Coal and Steel Community. Under the pressure of events, Germany and the three Western Powers have composed many outstanding differences and have signed agreements which should soon end the long occupation of Western Germany and peacefully integrate its fifty million people into the rest of the free world. Already two powers, the United States and Great Britain, have ratified these agreements.

With even more striking historic implications, six governments, France, Germany, Italy, Belgium, Holland and Luxembourg have signed mutual pacts intended to establish a European Defense Community and the European Army. I look for early parliamentary ratification of these treaties. Then we shall see countries which twice in a generation have been mortal enemies join together in a common army and adopt a common defense budget. These six countries are now discussing even closer political ties and may merge more of their national sovereignties in the mutual effort.

Even those of us who have been closely observing these recent developments here find it difficult to realize how far along the road to military integration, economic unification, and political federation the nations of Western Europe have really come. Measured in terms of history the pace has been incredibly rapid. This European movement has been influenced by the efforts and the active good will of thinking people from many nations. Even more, it has been motivated by the inexorable forces of natural progress and of the political and economic pressures of the post-war period.

In the free world the trend toward unity and strength is now clear. If this trend can be maintained, we can see ahead the changes in world relations for which free men everywhere have waited since Soviet imperialism unmasked its evil ambitions.

## WHITE HOUSE ANNOUNCEMENT

White House press release dated August 28

By greatly increasing its imports the United States can help Western European nations to close their existing "dollar gap" and thus earn their own way, Ambassador William H. Draper, Jr., U.S. special representative in Europe, wrote in a report to President Truman released on August 28. Mr. Draper's summary of his first 6 months in office was forwarded to the President from his headquarters in Paris.

He recommended that the United States should seek all possible means for promoting additional private investment abroad, including the strengthening and extension of the provisions for governmental guaranties. Increased American investments abroad, he said, would supplement efforts to alleviate Europe's chronic shortage of dollars.

The American people are being taxed to pay for the huge excess volume of raw materials and manufactured goods being shipped to Europe, he noted. The United States must substantially increase its imports from Europe and from other parts of the world if America expects to keep up its present volume of exports and at the same time get paid for it, he said.

"If this simple truth were clearly understood and accepted by our own people, regardless of party, the next Administration and the new Congress would doubtless find ways and means to gradually accomplish the desired result," Mr. Draper asserted.

Among methods he suggested for stimulating greater imports were reaffirmation and extension

of the reciprocal trade agreements program; enactment of proposed legislation for simplified customs procedures; and the progressive lowering of other import restrictions and duties. Such a policy would increase Europe's capacity to pay without correspondingly reducing America's exports, he said.

Ambassador Draper in his report emphasized these other major developments:

1. Western European nations have made significant advances in political, economic, and military integration.

2. NATO is becoming stronger and more closely united; the Council is now carrying out an Annual Review to set firm military goals for 1953 and to reconcile the cost of proposed military forces with economic capabilities.

3. Defense budgets of the NATO countries have more than doubled since the Korean War to build up, train, and equip their armed forces.

4. Offshore procurement contracts placed by U.S. armed services during the past 6 months totaled \$683,800,000 to buy European-made defense equipment for NATO forces, and a similar offshore program for the fiscal year 1953 is now being planned.

5. Success of the European Payments Union is solving the critical Belgian surplus creditor position and attests to the spirit of cooperation existing in Western Europe today.

6. More production at competitive prices and better markets are essential to Europe's further economic development; present European markets no longer adequately serve the needs of European producers.

### United States Agencies in Europe

The creation early this year of the Office of the United States Special Representative in Europe was made necessary by the growing scope of our national responsibilities. In the mutual security field, this Office provides civilian coordination and supervision on a regional basis of the political, economic and defense activities of our Government in Europe. This objective cannot be fully achieved quickly, nor can we remain static. As problems arise and conditions change, existing policies and organizations must be responsive to the new needs.

As Special Representative I report to the several departments of our Government in Washington, and work through and with our Ambassadors and "country teams" in Western European capitals.

Our regional office is now established in Paris and resulted from merging the U.S. political and defense activities in NATO, until recently in London, with the U.S. economic and mutual aid activities already located in Paris. Ambassador

Frederick L. Anderson serves as my general Deputy and takes turns with me in visiting the various European countries. Our office is divided functionally into three divisions—political, economic and defense. Ambassador Livingston T. Merchant, with long and varied experience in the State Department, heads the Political Division and handles matters arising in the North Atlantic Council. Mr. Paul R. Porter, formerly in charge of Mutual Security Agency activities in Europe, deals with problems of the Organization for European Economic Cooperation and directs the Economic Division. Mr. Luke W. Finlay, a reserve Brigadier General, was recently in charge of European off-shore procurement for the Army. Now, as Deputy for Defense Affairs, he is responsible for coordinating military assistance and production problems.

In each NATO capital the United States plays its part and exerts its influence in strengthening the military and economic effort through a so-called "country team". This "country team" is headed by our accredited Ambassador in each country, and includes, in addition to diplomatic



officials for political problems, a mutual security mission in the economic field and a military assistance advisory group in the defense area. These three elements receive policy guidance and direction respectively from the Department of State, the Mutual Security Agency, and the Department of Defense in Washington.

On the military side, General Matthew B. Ridgway, as Supreme Allied Commander, Europe, commands allied forces in Europe assigned to NATO, including the United States military forces so assigned. General Ridgway, in his capacity as Commander-in-Chief of all U.S. Forces in Europe, has delegated to his Deputy, General Thomas T. Handy, coordination of command and administrative matters for the forces, as well as appropriate coordination with this office.

The effort to integrate U.S. policy in Europe through the Office of the Special Representative would not have been possible without the complete cooperation and support of the armed services and of the several agencies and many individuals concerned with the program in Washington and throughout Europe. This cooperation and support we have had in the fullest measure, and for this I am deeply grateful.

#### **The North Atlantic Council**

The reorganization and physical concentration of our regional activities in Paris has paralleled the move of the North Atlantic Council, NATO's high political body, from London to Paris. The Lisbon Conference created a civilian Secretary General for NATO who directs an International Staff in carrying out the decisions of the North Atlantic Council. Lord Ismay, of the United Kingdom, as the first Secretary General, brought to the newly created office a long and valuable background of military experience and civilian government responsibility. Under Lord Ismay and the Deputy Secretary General Mr. H. van Vredenburg, are three major divisions headed by Mr. Rene Sergent of France, Assistant Secretary General for Economic Affairs; Mr. David Luke Hopkins of the United States, Assistant Secretary General for Defense Production; and Mr. Sergio Fenoaltea of Italy, Assistant Secretary General for Political Affairs.

The Council, now in continuous session in Paris, has easy informal contact with Supreme Headquarters, Allied Powers in Europe, under General Ridgway, although the Council's formal relationship with the military is through the Standing Group and the Military Representatives Committee in Washington.

Through participating as United States Permanent Representative in the discussions of the North Atlantic Council, I have been impressed with the deep desire of all the National Representatives to avoid bickering and dispute, to find common ground for agreement, and generally to pursue the same basic objectives.

#### **The Lisbon Conference**

The Lisbon Conference last February marked a milestone of great importance for NATO. Approval was given to the Temporary Council Committee recommendations providing for a systematic strengthening of the NATO military forces in combat-ready units, and establishing the necessary organization and procedures for annual revaluation and planning of the military buildup. Approval in principle was given to the European Defense Community, designed to make possible Germany's participation in the western defense effort. Turkey and Greece, with large ground forces in being, became full members of the North Atlantic Treaty Organization.

Under the leadership of Mr. Averell Harriman, of the United States, Sir Edwin Plowden, of Great Britain, and Mr. Jean Monnet, of France, an intensive study had been made by the Temporary Council Committee of national military capabilities and of available budgetary resources. This represented a NATO-wide effort to plan the maximum combined build-up of NATO's military forces within the capabilities of the member countries. For the first time in history a group of countries made available their military programs and their military budgets to an international body for review and recommendation.

At Lisbon the various nations agreed to provide to NATO by this year end approximately fifty combat-ready ground divisions (half of them active divisions and the balance readily mobilizable reserve divisions), about four thousand combat airplanes and a comparable naval strength. These goals were exclusive of Greek and Turkish forces. Developments since February indicate that these goals may not be met in full by the end of this calendar year, but any slippage is of relatively small proportions and, with intensive effort, it should be possible to complete the 1952 goals early in 1953.

The North Atlantic Council, together with the NATO military headquarters, are currently reviewing the progress being made toward these agreed goals. The Council is now carrying out an Annual Review to set firm military goals for 1953 and to reconcile the cost of proposed military forces with economic capabilities on the basis of the experience and information developed since the Lisbon meeting.

#### **U.S. Military Aid and Offshore Procurement**

European defense budgets have more than doubled since the Korean War. These increased resources have been used to build up, train and equip the armed forces of our NATO partners. The United States has supplemented the European effort by furnishing heavy armament and other equipment that cannot be produced in Europe in the time and quantities required.

The military assistance from the United States in the form of tanks, planes, artillery and other

weapons is indispensable in bringing NATO forces quickly to a status of greater combat readiness. The flow of military weapons and equipment from the United States is increasing but must increase still further in order to provide the European defense forces with the substantial quantities of modern weapons required.

As part of our military assistance, a large-scale program of procurement in Europe was adopted a year ago. The primary objective and the great significance of this step is that it will contribute to the development of a production base that will make it possible for the countries of Western Europe in the future to provide more fully for their own defense requirements. In addition, these offshore procurement contracts will contribute materially to the effective use of labor and resources in Europe and will help make dollars available for imports needed for defense and civilian production.

Last fall Army, Navy and Air Force procurement officers were authorized to begin the placement of offshore procurement contracts in Europe. A multitude of major and minor difficulties and delays were necessarily involved. Specifications and blueprints had to be translated into many languages; measurements had to be converted from inches and feet into the metric system; contracting procedures normally followed in the United States had to be adapted to conform reasonably with contracting customs and procedures of the NATO countries; special tax agreements had to be negotiated, under which governmental and local taxes were waived on military production financed by the United States. Time was also necessarily spent in determining appropriate delivery schedules and sources of production, and in getting competitive bids from the various plants and countries.

Nevertheless, the three military services carried out the program and actually placed contracts before the fiscal year ended on June 30th last, for nearly \$700,000,000 of military production in Europe. Practically all of this huge total is being produced in nine NATO countries, broken down as follows:

Belgium.....	\$46, 000, 000
Denmark.....	6, 000, 000
France.....	335, 500, 000
Greece.....	11, 000, 000
Italy.....	129, 000, 000
Luxembourg.....	300, 000
Netherlands.....	38, 000, 000
Norway.....	6, 000, 000
United Kingdom.....	69, 000, 000
Non-NATO countries.....	43, 000, 000
<b>TOTAL.....</b>	<b>683, 800, 000</b>

About \$600,000,000 of this total is being financed from 1952 Mutual Security Funds appropriated last year, and the resulting military end-items—auxiliary combat ships, ammunition, electronic and other equipment—will be allocated to our NATO partners as part of the collective effort to re-

arm. The balance of these orders were financed from regular Defense Department appropriations and will provide military hardware and ammunition for the use of the United States forces.

The procurement agencies of the Army, Navy and Air Force and the United States Joint Coordinating Board for Offshore Procurement are to be congratulated for overcoming the many obstacles to achieving this important program which only a few months ago appeared insurmountable.

More than half of the \$335,500,000 of procurement orders placed in France represented fulfillment of the commitment undertaken by the United States to the French Government at Lisbon. The French Government pledged itself to firm military goals for 1952 and undertook to increase its own defense contribution beyond that recommended by the NATO Temporary Council Committee. The United States Government agreed that as part of its total aid \$200,000,000 of military and economic assistance would be provided in the form of military procurement in France, largely for Indo-China, designed to give budgetary as well as dollar assistance to France.

At the Lisbon meeting France also requested "offshore procurement" assistance for additional production in France which the budgetary limitations of even the increased French budget would not cover, but which had been already programmed as part of the French effort. The United States pointed out that it could not undertake any commitment for this additional production but agreed to examine specific French proposals as they were presented. Contracts have since been placed for a number of auxiliary combat ships so requested by France, and are included in the totals given above. In addition the United States has now agreed, subject to satisfactory conditions and prices, to place \$186,000,000 of additional offshore procurement in France in response to the French request for much larger procurement. The fact is that the French production program, as originally planned, is still not fully covered by the increased French budget, even with American military assistance which can be made available to France from the appropriations actually voted by our Congress.

#### **Procurement of Planes, Tanks, and Ammunition in Europe**

The Office of the Special Representative, in coordination with the military services, is now preparing to recommend the broad outlines for a comparable offshore procurement program for the 1952-53 fiscal year. The NATO International Staff, which is steadily becoming more effective, has very usefully cooperated in developing a proposed program of production in Europe of combat airplanes to meet part of the existing deficiency in NATO's air power and also to strengthen Europe's aircraft production industry. This program calls for the expenditure of some \$400,000,-

000, partly contributed by the United States and partly by the European nations themselves. Approval in principle has been given to this important program by the United States Government and negotiations have begun to solve the many financial, technical and production problems involved. Negotiations are also under way for the production in Great Britain of Centurion tanks for certain NATO countries as part of the offshore procurement program.

A considerable part of the offshore procurement contracts already placed will provide needed ammunition for NATO forces. The NATO International Staff is now preparing to recommend an ammunition program for the current fiscal year in which the national ammunition programs will be integrated with and supplemented by additional offshore ammunition production financed by U.S. military aid funds.

Since offshore procurement serves many desirable long-range U.S. objectives and at the same time effectively accelerates the short-term defense buildup, I believe it should be continued as an important and integral part of our military assistance program to Europe.

#### **Organization for European Economic Cooperation**

The United States, as well as Canada, is an associate member of the Organization for European Economic Cooperation. This organization, established in 1948 to concert the recovery aims and actions of the nations receiving Marshall Plan aid, continues to play a major role in creating the basis for an integrated and self-supporting European economy. Among its other major activities the OEEC has rendered invaluable service in helping member governments reduce trade barriers and expand intra-European trade through a system for settlement of trade balances, partly in cash and partly in credit. This system is administered by the European Payments Union, which the OEEC created and supervises. Mr. Anthony Eden, British Foreign Secretary, has recently succeeded Dr. Dirk U. Stikker of The Netherlands as Chairman of the Ministerial Council directing OEEC.

The United States maintains close and friendly relations in the economic field with Sweden, Switzerland and Ireland, and has similar relations with and special responsibilities toward Austria and the territory of Trieste, all of which are members of OEEC but not of NATO. Western Germany is also an active member of OEEC, and its economic development is closely related to the course of production, trade and general prosperity in Western Europe. The German Federal Republic as a prospective charter member of the European Defense Community should soon play its part in the common defense effort as an integral element of the European Army. Although Yugoslavia is not a member of either NATO or OEEC,

United States military and economic assistance is now being made available to that country. Negotiations are currently under way regarding military and economic assistance for Spain. There are, therefore, aside from the United States and Canada, 12 countries in NATO, 6 additional countries in OEEC, and Yugoslavia and Spain, or a total of 20 countries in Europe with which the Office of the United States Special Representative deals on one basis or another.

#### **Intra-European Economic and Financial Problems**

It is clear that Europe, in building its defenses and in strengthening its will to resist possible aggression, must maintain strong national economies and reasonable standards of living for its peoples. Only through increased total production can Europe continue to meet both its military and civilian requirements.

Since the war, European production has in fact made remarkable strides. Wartime destruction has been largely repaired. Industrial production has for the past many months been above prewar, and recently agricultural production has risen slightly above prewar totals.

Despite this progress in physical production, financial and payments problems of the most serious character continue to trouble Western Europe. Soaring raw material prices following the Korean war and the cost of rearming have aggravated inflationary pressures. At the same time the necessary expansion of trade and conversion of currencies have become more difficult. The trading problems inherent in the dangerous shrinkage in British reserves of gold and dollars late last year and the severe financial problems of the French Government last winter illustrate the difficulties.

To combat these particular problems the United Kingdom has adopted stricter budgetary measures, raised the bank rate and sharply restricted dollar and other imports. The Prime Minister, for reasons of economy, has also announced a "stretchout" in the timing of the British defense build-up. The French Government has reduced capital investments and certain other expenditures and has also adopted emergency trade restrictions to protect its foreign exchange position. Some reduction may also be necessary in the scale of French defense production.

#### **The European Payments Union**

A particularly knotty problem plagued many European Finance Ministers this spring. For two years the European Payments Union had provided an orderly basis for settling the monthly trade balances of nearly a score of countries. It had given real relief from the bilateral trade agreements and bilateral settlements of the years immediately following the war. But the agreement ran only to June 30, 1952 and the extreme

creditor position of Belgium threatened its very existence.

Belgium faced a special difficulty since its exports to European countries and to the sterling area greatly exceeded its imports of goods from those areas. For a considerable period of time these excess exports were running \$30,000,000 to \$40,000,000 a month. These mounting credit balances meant a constant drain on Belgium's financial resources, since the European Payments Union only provided partial payment, intended to cushion temporary ups and downs in foreign trade. Unfortunately, the Belgian export surplus was constant and soon outran the agreed quotas. The European Finance Ministers, sitting in the Council of the Organization for European Economic Cooperation, struggled in May and June to solve Belgium's need for greater payments without seriously straining the gold and dollar reserves of the European Payments Union.

They finally found an acceptable solution, under which Belgium (1) received an additional partial payment, (2) increased her own imports by placing defense production orders in France and the United Kingdom (offset employment-wise in Belgium by U.S. offshore procurement orders placed in Belgium), and (3) agreed to extend additional credit to the E.P.U. countries. Moreover, the International Monetary Fund assisted in making the entire arrangement possible by providing \$50,000,000 in standby credits to Belgium.

As a result, the European Payments Union was enabled to continue its useful operation, and another demonstration was given of the real will to cooperate which exists in Western Europe today. However, a trade clearing and credit arrangement such as E.P.U. which covers only a limited currency area can only be temporary. Some more permanent solution must eventually be worked out.

The cooperation extended indirectly to E.P.U. by the International Monetary Fund was a good augury for the future. Certainly discussions of currency and related problems which might result between these two organizations could not but be helpful in analyzing the present disparities between the E.P.U. and dollar areas, and in clarifying the conditions of external trade and payments, and of internal financial stability that must be realized before the currencies of the two areas could become mutually convertible.

Inflationary developments in both the United States and certain European countries since the Korean War have re-emphasized the need for economic and financial stability throughout Europe. The OEEC Council has recently completed a study of this problem by a group of outstanding international financial experts, reviewing particularly the situation in the United States, the United Kingdom, France and Belgium. The report reviewed the steps already taken with some success in the several countries to check inflation, and suggested the directions in which fiscal policy and

monetary controls should deal with this problem in the future. A Ministerial Committee has accepted the report as a useful contribution in pointing the way to a greater degree of internal financial stability, and the Council has forwarded it to all OEEC countries for further consideration and comment.

### **The Chronic Dollar Balance-of-Payments Problem**

The internal and intra-European financial and payments problems, serious as they are, nonetheless are overshadowed by the balance of payments problem of Western Europe *vis-à-vis* the dollar area. This phenomenon, which has its roots in the huge excess of United States exports over its imports, has persisted in varying degree over a period of years. Unless a balance can be restored there is real danger of a deep and perhaps disastrous fissure between the economies of Europe and America. The lack of balance in Europe's foreign trade manifests itself in a perpetual shortage of dollars needed to buy raw materials, machinery and other commodities in the Western Hemisphere.

This dollar shortage has developed during the past thirty years from the huge investment losses, trade dislocations and physical damage caused by two world wars. In contrast, our own dynamic economy and production have enjoyed the advantages of a large internal market, keen competition, and expanding consumer buying power, and have far outdistanced European competition. Since World War II, Europe has been forced to rely more than ever before on imports from the dollar area. Fortunately, the economic assistance provided by the Marshall Plan has helped to meet Europe's dollar shortage during the recovery years, and has prevented possible economic and social disaster. Moreover, European economic recovery, aided by the Marshall Plan, has brought about a very considerable reduction in the dollar shortage compared with the early post-war years. During this coming year, defense support assistance and offshore procurement will again supply some part of the dollars Europe must have to carry on an adequate defense effort while maintaining a tolerable standard of living.

### **"Trade Rather Than Aid"**

Important voices on this side of the Atlantic are urging that sounder economic and trade policies be undertaken in both Europe and America to reduce the need for economic assistance. The Chancellor of the British Exchequer, Mr. Richard A. Butler, at a recent meeting of the OEEC Council of Ministers, re-emphasized the need to close the dollar gap as soon as possible by "trade and not by aid".

Balanced trade is obviously the best solution. But this solution is not easy to achieve. It will

require drastic and complementary actions on both sides of the Atlantic; both Europe and the United States must make fundamental changes in present uneconomic practices.

Western Europe must steadily become more productive, and produce at more competitive prices. European producers need within Europe a market that is both wider and deeper, in which the spur of competition and new opportunity would yield major gains in higher productivity and lower prices. The European market, separated in small compartments, no longer adequately serves the needs of the people. Existing trade restrictions and cartel arrangements fail to stimulate either mass production or mass selling. More production and better markets are essential if the economic development of Europe is not to lag still further behind that of the United States.

The free trade unions of Europe, which are steadily becoming more effective, are giving consistent support to the Mutual Security Program. They can make an important and useful contribution in solving these difficult economic and political problems.

We, too, must face hard facts. Settlement for the net export balances to the United States, running now at the rate of billions of dollars a year, can only be made, as I see it, in one of three ways. First, we can buy more in European countries, which would permit those nations to earn their own way, and at the same time would improve our own American standard of living by making more imported goods available for consumption. Second, we can invest abroad some part of the large amounts due us each month either through governmental or private investment channels, and look to the future for repayment. And finally—the third alternative—we can continue indefinitely military and economic grant programs.

During the past few years, we have been following the last of these methods of settlement and have been taxing our own people to pay for the huge excess volume of resources—both raw materials and manufactured goods—which we have been shipping to Europe. To maintain our present volume of export trade, and at the same time to be paid in full, we must greatly increase our imports from Europe and from other parts of the world.

If this simple truth were clearly understood and accepted by our own people, regardless of party, the next Administration and the new Congress would doubtless find ways and means to gradually accomplish the desired result. Among other methods to this end, I would suggest reaffirmation and extension of the reciprocal trade agreements program, enactment of the proposed legislation for simplified customs procedures, and the progressive lowering of other import restrictions and duties. Such a policy would increase Europe's capacity to pay without correspondingly reducing our exports. I believe adoption of this policy

would directly benefit the United States by increasing its economic and eventually its military security. The existing "dollar gap" threatens not only our own export trade, but if not reduced may unfavorably affect the mutual defense effort as well.

Clearly the present trade imbalance cannot be reversed overnight. The necessary adjustments in our own industry and our own markets can only be made equitably over a period of time. This fact, and the relatively greater productivity in the United States make it very unlikely that the existing gap can be closed by increased American imports alone.

### **The Possibility of Increased Foreign Investment**

A significant part of the remaining dollar gap could perhaps be filled by increased overseas investment by the United States. Under present world conditions, the normal flow of private capital is seriously impeded by political instability and existing world tensions. In the interest of our own balance of payments position, of tax reduction from lessened foreign aid, and of our own need for a stable western world, we should seek all possible means for promoting additional private investment abroad, including the strengthening and extension of the provisions for governmental guarantees. The private investor obviously should bear the normal business risks, but our own national interest requires that unusual political and exchange risks, properly and carefully defined be assumed to a greater extent on a government basis.

The Organization for European Economic Cooperation is now studying, and planning later to recommend, certain changes in economic policy which, if accepted, and implemented on both sides of the Atlantic, should help in reducing Europe's dollar gap. The Mutual Security Public Advisory Board in accordance with a Presidential request is undertaking to review American economic policy in the field of foreign trade, taking into account the curtailment of trade between the Western nations and the Soviet bloc, and the trade vacuum that might result. These somewhat parallel studies should clarify the economic and financial problems discussed in this report and will, I hope, lead to constructive action next year in both Europe and the United States. It could be very useful, either in connection with the studies already instituted by the Mutual Security Public Advisory Board or separately, to investigate thoroughly future possibilities for increased American overseas investment, with and without some form of governmental guarantee. Organizations such as the International Chamber of Commerce, the National Foreign Trade Council and the Investment Bankers Association would undoubtedly cooperate in making an exhaustive study of this subject, including an evaluation of the need and the

productive possibilities of such investments, and of the further safeguards with which they could be surrounded if appropriate action were taken by foreign governments and by our own government. The importance of increasing foreign investment by the United States was recognized by the Congress itself in the present Mutual Security legislation.

### Conclusion

The developments emphasized in the earlier parts of this report are on the whole distinctly encouraging. But I do not underestimate the hazards and difficulties of the coming months.

Even with American military and economic assistance, a number of European countries have felt compelled to alter and delay their defense efforts, particularly in the field of military production. The slippage in attaining our own production goals in the United States, as well as the requirements of the Korean War, have slowed up to some extent the delivery of military end-items. The higher priority given to military deliveries to Europe last January provides the framework within which further improvement must take place. However, the action of Congress in reducing the appropriations requested for military and economic assistance to Europe for the current fiscal year will be another influence tending to spread the defense buildup over a somewhat longer period than originally planned.

In the economic field, a better solution for Europe's chronic trade and financial problems must be found soon, or the long term consequences for the strength and solidarity of the free world could be damaging indeed.

One cannot deny that, aside from ratification of the European Defense Community Treaty and the Contractual Agreements with the German Federal Republic, many problems remain to be dealt with. For example, Italy has a special problem in its large unemployment which is being attacked both through attempts to increase jobs internally and to increase the rate of emigration to other countries. Problems like these cannot be solved by one nation alone.

Nevertheless, I am convinced that given the cooperation, good will and understanding among the members of the North Atlantic Community that have successfully overcome so many obstacles in the past, the difficulties that lie ahead can and will be resolved.

Faithfully yours,

WILLIAM H. DRAPER, JR.  
*U.S. Special Representative  
in Europe*

## U.S., U.K. Submit Joint Proposals to Iran

Press release 682 dated August 30

TEXT OF MESSAGE TO THE PRIME MINISTER OF IRAN FROM THE PRESIDENT OF THE UNITED STATES AND THE PRIME MINISTER OF GREAT BRITAIN, DELIVERED AUGUST 30, 1952

*To His Excellency  
Dr. Mohammad Mossadegh,  
Prime Minister of Iran*

We have reviewed the messages from our two Embassies in Iran regarding recent talks with you, as well as your communication of August 7, 1952, to the British Government. It seems clear to us that to bring about a satisfactory solution to the oil problem will require prompt action by all three of our Governments. We are attaching proposals for action which our two Governments are prepared to take and which we sincerely hope will meet with your approval and result in a satisfactory solution. We are motivated by sincere and traditional feelings of friendship for the Iranian nation and people and it is our earnest desire to make possible an early and equitable solution of the present dispute.

HARRY S. TRUMAN  
WINSTON S. CHURCHILL

### *Proposals*

1. There shall be submitted to the International Court of Justice the question of compensation to be paid in respect of the nationalization of the enterprise of the AIOC<sup>1</sup> in Iran, having regard to the legal position of the parties existing immediately prior to nationalization and to all claims and counterclaims of both parties.

2. Suitable representatives shall be appointed to represent the Iranian Government and the AIOC in negotiations for making arrangements for the flow of oil from Iran to world markets.

3. If the Iranian Government agrees to the proposals in the foregoing two paragraphs, it is understood that (a) representatives of the AIOC will seek arrangements for the movement of oil already stored in Iran, and as agreements are reached upon price, and as physical conditions of loading permit, appropriate payments will be made for such quantities of oil as can be moved; (b) Her Majesty's Government will relax restrictions on exports to Iran and on Iran's use of sterling; and (c) the United States Government will make an immediate grant of \$10 million to the Iranian Government to assist in their budgetary problem.

<sup>1</sup> Anglo-Iranian Oil Company.

## The Interdependence of Foreign and Domestic Policy

*Following is the summary of an address made on August 26 by W. Averell Harriman, Director for Mutual Security, before the first general session, forty-eighth annual meeting of the American Political Science Association, Buffalo, N. Y.*

Tracing the relationships between domestic and foreign policies in the political, psychological, economic, and military fields, Mr. Harriman said that "we must all learn to approach questions of national policy in a world context whether the major aspects of the particular question involved are domestic or foreign."

Mr. Harriman declared that political stability is directly related to economic stability and stated that "whether certain nations can remain free or fall victim to Communist subversion rests to a frightening degree upon our ability to maintain an expanding and stable economy in this country."

Pointing out that the U.S. population represents only 10 percent of the people of the free world but turns out over 50 percent of the free world's gross production of goods and services, Mr. Harriman said that "our every action in the economic sphere has direct and major consequences—often magnified consequences—for the rest of the free world and therefore for our whole foreign policy." As an example, Mr. Harriman recalled that in the latter half of 1949, when the gross national product of the United States declined about 3½ percent compared with the same period of 1948, our total imports declined more than 10 percent, those from the Marshall Plan countries as a group over 20 percent, and those from certain individual countries over 40 percent. "Thus a minor fluctuation in our economic activity at home," he said, "can have disastrous consequences on the economies of our friends and allies."

Mr. Harriman said that the interdependence of the United States and other free world economies has "direct and immediate implications" for U.S. trade and tariff policies, and then pointed out the growing dependence of this country for imported supplies of raw materials. Referring to the re-

port of the President's Materials Policy Commission,<sup>1</sup> Mr. Harriman pointed out that some 20 or 25 years from now, the United States will have to obtain from abroad three to four times the volume of net materials imports of today in order to maintain our expanded economy. In this connection, he continued:

Without increased availabilities in the relatively underdeveloped areas of the world, the very physical base of an expanding American economy will be lacking. This in turn calls for a policy of fostering balanced development in the underdeveloped areas. For make no mistake about this: access to raw materials sources abroad is not merely a matter of going in and digging wherever they are to be found. Investment must be on terms that the peoples of the underdeveloped areas will accept; it cannot be old-fashioned exploitation; it must take the form of balanced development that promotes—as it can—the interests of supplying and consuming countries alike. It must take account of the vigorous nationalism in the areas recently freed from colonialism and of the deeply ingrained fears of the raw materials producers—born of long experience—of a feast and famine economy.

"If we are to have access to the raw materials we shall need so desperately in the next two decades," Mr. Harriman continued, "the producing nations must remain free from Soviet domination and friendly to the rest of the free world. This emphasizes not only the wisdom but the pressing necessity of our Point Four Program under which American technical assistance and a relatively small economic contribution already is beginning to work miracles by stamping out disease and increasing food production."

Turning to the question of defense, Mr. Harriman said that "the inseparability of our military security and the military security of our allies is obvious." "Equally clear," he added, "is the impact of the military needs of the free world, both for our own forces and our allies, on our budget, on our national debt, on our tax levels. The American divisions standing with our allies in Western Germany, our troops in Korea, our airfields in Morocco, our equipment in Indochina are

<sup>1</sup> For a digest of vol. I of the Commission's report, see BULLETIN of July 14, 1952, p. 55.

every bit as much a part of our national defense as an infantry division training in Louisiana.”

Mr. Harriman reviewed the major foreign policy steps undertaken by the United States to strengthen the resources of the free world against Kremlin aggression and subversion and stressed the vital role of the Mutual Security Program in this connection. While this Program involves large expenditures, Mr. Harriman pointed out that the combined military, economic, and Point Four aspects of the Program take less than 8 percent of the total U.S. budget.

“The fear that haunts the Kremlin today,” Mr. Harriman said, “is that the mad Communist dream of conquering the world, already being frustrated, will be shattered forever by an unshakable alliance of all the free nations.”

Stating that the leadership of this country in forging unity in the non-Communist world both in Europe and in Asia “has knocked the Kremlin off balance and is taking the initiative away from Stalin in many parts of the world,” Mr. Harriman said that Russia and Communist parties everywhere are “now engaged in an hysterical campaign to offset our growing strength and unity by driving a wedge between the United States and its allies around the world. Every technique of political and propaganda warfare is being and will be used for this purpose,” Mr. Harriman said. He then referred to the “hate America” campaign of Communist propaganda and spoke of the Communist efforts to “smear America and Americans, to stir up suspicion and distrust by distorting the motives and policies of our friends and ourselves, and to exploit the differences that are bound to arise between free peoples working together in voluntary association.

“Like every world aggressor before him,” Mr. Harriman said, “Stalin is seeking to divide the free peoples so he can take them over one at a time. Our survival,” he added, “depends upon our ability to build and preserve the unity of the diverse peoples who share a basic faith in freedom and the dignity of mankind.”

“No greater responsibility could be placed upon any nation than the responsibility we face today to understand our free world partners, to understand that the whole world is watching everything we do, and to conduct ourselves so that we shall help to cement the free world unity that is the one answer to the menace of world disaster,” Mr. Harriman said. “To do this,” he added, “we must keep ever in mind that almost everything we do at home is directly and inseparably related to the success of our foreign policies—whether in the field of civil liberties and civil rights, or in social progress in education, housing, and health, or in the rights of labor to organize, or in the improvement of economic opportunity and security for all. The time has passed,” Mr. Harriman said, “when we can think of these things as purely domestic affairs.”

Pointing to deep social unrest in many parts of the world, Mr. Harriman concluded:

The world situation today calls for a continuation and broadening of progressive, liberal, and dynamic foreign policies. We have sponsored successfully such policies under the Marshall Plan, the Point Four Program, the NATO treaty, the system of Pacific alliances, the programs for inter-American cooperation, and in many other ways. These policies already have stalled and rolled back the march of Kremlin imperialism—beginning in Iran in 1946, and then in Greece, in Berlin and Western Europe, in Korea, in Indochina, in the Philippines, and elsewhere. We know that we still stand in grave danger, but we also know that we are on the right road: we can be confident that if we continue and strengthen the policies we are following we shall come to the day when the free world, with its vastly superior spiritual and material resources, will stand organized in such strength and unity that we can live without fear. When that day comes, the internal tensions that permeate the unnatural and inhuman slave system behind the Iron Curtain will loosen the grip of the dictator and the forces of disintegration will set in.

## Press Assertions Relating to AHEPA

Press release 663 dated August 25

An article appearing in the *Washington Times Herald* on August 23 charged that the Department of State had asserted its influence to obtain the introduction and passage of certain resolutions by the American Hellenic Educational Progressive Association (AHEPA) Conference then in session at Washington.

The article stated that three resolutions were adopted by the conference at the request of the State Department. It said the resolutions were presented by a State Department official, “who identified himself as Mr. Kusaila.”

In no manner did the Department propose any of the resolutions presented to the conference of this organization. It had no part in the presentation or introduction of any of the resolutions mentioned in the news report.

The “Mr. Kusaila” mentioned in the article is Joseph Kusaila, a member of the European Branch of the International Press Service of the International Information Administration. He attended the conference only to report the proceedings of the meeting for the Department’s International Information Program. He did not receive nor ask for any privileges not accorded to any members of the press in attendance. Mr. Kusaila did make known his interest in obtaining copies of whatever resolutions might be adopted to the chairman of the association’s Resolutions Committee. Articles prepared by him were for use in the Department’s *Wireless Bulletin* and VOA broadcasts, particularly those sent to Greece.

Mr. Kusaila in no way participated in the presentation of the resolutions mentioned in the press report, nor did he suggest topics for any of the resolutions presented to the conference. He had no knowledge of the content of the proposed resolutions prior to their distribution to the press.



## U.S., U.K., France, and Switzerland Sign German Property Agreement

Press release 679 dated August 29

On August 28 an agreement was signed at Bern between Switzerland, France, the United Kingdom, and the United States concerning German property in Switzerland.

The agreement will become effective upon approval by the appropriate Swiss authorities and upon approval by appropriate Swiss and German authorities of separate but related agreements concluded on August 26, 1952, between the German Federal Republic and the Swiss Confederation with regard to German property in Switzerland and certain Swiss claims against Germany. Complete texts of these related agreements are not presently available, but will be released for publication when received by the Department.

Under the terms of the present agreement, the sum of 121,500,000 Swiss francs will be paid by the Swiss Government to the three Allied Governments for distribution in accordance with the terms of the Paris Reparation Agreement of 1946 and decisions of the Inter-Allied Reparation Agency. The Swiss Government will, in turn, receive the stated sum from the Federal Republic of Germany. Upon payment of this sum to the three Allied Governments, the provisions of the Washington Accord of May 25, 1946, which called for the total liquidation of German assets in Switzerland and the division of the proceeds in equal measure between Switzerland and the Allied Governments, will cease to have effect with regard to German assets in Switzerland owned by persons who are residents of the Federal Republic of Germany and the Western sectors of Berlin. These assets will, instead, become subject to the Swiss-German agreement of August 26, which sets forth the procedures for raising the funds required for the payment to be made to the three Allied Governments.

The agreement between Switzerland, France, the United Kingdom, and the United States also includes a number of letters which were exchanged between the signatory countries and which record understandings reached in the course of negotiating the agreement.

Following are (1) Text of the Swiss-Allied Agreement; (2) Synopsis of the Swiss-German Agreement of August 26; and (3) Summary of letters included in the Swiss-Allied Agreement of August 28.

### AGREEMENT BETWEEN SWITZERLAND, FRANCE, THE UNITED KINGDOM, AND THE UNITED STATES CON- CERNING GERMAN PROPERTY IN SWITZERLAND

The Government of the Swiss Confederation (hereinafter referred to as the Swiss Government), on the one hand, and the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland, and the United States of America (hereinafter referred to as the Three Governments), on the other

Having concluded an agreement on May 25, 1946, at Washington, D.C. (hereinafter referred to as the Washington Accord),

And taking into consideration the agreement entered into between the Swiss Confederation and the Federal Republic of Germany concerning German property in Switzerland on August 26, 1952, at Bonn, (hereinafter referred to as the Swiss-German Agreement),

HEREBY AGREE AS FOLLOWS:

#### *Article 1*

The Swiss Government shall without delay pay in favor of the Three Governments into an account to be opened with a banking institution designated by the Three Governments the sum of Swiss Francs 121,500,000, which, under the terms of the Swiss-German Agreement, will be paid to the Swiss Government by the German Federal Government within two weeks after the receipt by the German Federal Government of notification of the entry into force of the present agreement, subject, however, to the deduction from said sum of Swiss Francs 20,000,000 which have been advanced by the Swiss Government in accordance with Section V of the Annex to the Washington Accord.

When payment into the designated account is made, the obligations of all parties to the Washington Accord with respect to German assets in Switzerland which are owned by persons who are resident in the German Federal Republic and in the Western Sectors of Berlin shall be regarded as discharged and the provisions of the Accord and the Annex thereto shall cease to have effect with respect to such assets, and the claims of the Three Governments and of the governments on whose behalf they are acting to such assets shall be regarded as finally settled.

The provisions of this agreement shall be without prejudice to the position of any country, party to this agreement, respecting the application, interpretation and fulfillment of such provisions of the Washington Accord as are not affected by this agreement.

## Article 2

The legislation existing in Germany concerning the vesting and marshalling of German external assets shall be deprived of effect with regard to German holders of assets in Switzerland by the elimination of Switzerland from the list of countries in the schedule to Allied High Commission Law No. 63.

## Article 3

The terms of this agreement and of the Swiss-German Agreement, shall be without prejudice to any position which a country that is a member of the Inter-Allied Reparation Agency may take respecting any inter-custodial agreement concluded or to be concluded between the Swiss Government and such country.

## Article 4

Nothing in this agreement or in the Swiss-German Agreement shall be deemed to confer upon any person or government rights regarding any property under the jurisdiction of any country which was at war with Germany after September 1, 1939.

## Article 5

The Swiss Government is acting in respect to this agreement also on behalf of the Principality of Liechtenstein. The Three Governments are acting in respect to this agreement on behalf of the countries which are members of the Inter-Allied Reparation Agency.

## Article 6

This Agreement shall enter into force when :

(a) The Three Governments have been notified by the Swiss Government that this agreement has been approved by the appropriate Swiss authorities, and

(b) The agreements between the Swiss Confederation and the Federal Republic of Germany concerning German property in Switzerland and concerning settlement of the claims of the Swiss Confederation against the former German Reich become effective.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

DONE in quadruplicate at Bern on the 28th day of August, 1952, in English and French, both texts being equally authentic.

## SYNOPSIS OF THE SWISS-GERMAN AGREEMENT OF AUGUST 26, 1952

The payment called for under the Swiss-Allied Agreement will be financed in the first instance from contributions from German owners of property in Switzerland in the amount of one-third of the value of their assets. Assets of owners who fail to make this contribution will be entirely liquidated and the counter-value in German marks will be paid to the owner by the Federal Government of Germany. Exempted from the contributions or from liquidation will be properties with a total value of less than 10,000 Swiss francs and properties of owners in certain categories such as persons who have suffered persecution in Germany for racial, political, or religious reasons, persons who, in addition to German nationality, also held on February 16, 1945, nationality of another country, and firms organized under German law or having their seat in Germany, in which non-German nationals had a majority of interest. In case of non-German participation in firms otherwise subject to contribution, a 25 to 50% non-German interest will be duly protected.

The necessary administrative measures will be taken by the Swiss Compensation Office, which will send notification to all owners of property affected by the agreements that they may either make the stipulated contribution in order to have the rest of their property unblocked or re-

quest release of their property if they fall within the exempted categories.

Article 20 of the Swiss-German Agreement defines property of German owners as assets of any description located in Switzerland and acquired before January 1, 1948, with the exception of claims secured by mortgages or real estate in Germany and securities of German issue and denomination in German currency.

The three Allied Governments have informed the Swiss Government that they interpret the term "German property in Switzerland" as defined in this Article as not including property within the jurisdiction of any country which was at war with Germany during World War II except to the extent such property is released to Switzerland pursuant to bilateral arrangements concerning inter-custodial problems.

## SUMMARY OF LETTERS INCLUDED IN SWISS-ALLIED AGREEMENT OF AUGUST 28, 1952

1) It is agreed that the Washington Accord will cease to have effect with respect to property in Switzerland owned by residents of the Saar and that the Swiss Government will unblock such property immediately after the coming into force of the present Agreement.

2) It is agreed that upon the coming into effect of the present Agreement, the Joint Commission established under the Washington Accord of May 25, 1946, will be abolished.

3) The three governments request that the Swiss Government will give sympathetic consideration to the application for the relief and rehabilitation of victims of Nazi actions, of assets of Nazi victims who died without heirs, in the event such assets should be found to exist in Switzerland. The Swiss Government expresses agreement with this request.

4) It is recognized that the respective positions of the parties to the Accord with respect to Articles 4 and 6 of the Accord are unchanged.

5) The Swiss Government acknowledges that the provisions of the Swiss-German Agreement of August 26 relating to the protection of interests of non-German nationals, of victims of persecution and of persons to whom property is returned under restitution procedures can be changed only with the concurrence of the three Allied Governments.

6) The Swiss Government states that it is prepared to take into account foreign interests in companies outside of Germany and Switzerland in which there is a German interest of 50% or more, provided that the foreign interest amounts to 25% or more and provided that comparable protection is available to similar Swiss interests in property under the jurisdiction of the other country. (The Swiss have also stated that they are prepared to afford protection to American interests of the type described and have expressed the firm hope that similar Swiss interests in property in the United States will be protected).

## Preoccupation Bank Deposits in Soviet Zone of Germany

Press release 678 dated August 28

The Department of State has been informed of the extension to September 30, 1952, of the deadline for the filing of applications for the conversion into East mark accounts of preoccupation reichsmark deposits in financial institutions in the Soviet zone of occupation of Germany or in German areas east of the Oder-Neisse line.

Under currency-reform legislation enacted in

those areas in 1948, applications for the conversion of such accounts had to be submitted to the Banken-Kommission, Taubenstrasse 26, Berlin W 8, Germany, before December 31, 1950, to prevent the cancellation of the deposits.<sup>1</sup>

According to information recently received by the Department, an East German law of May 30, 1952, extends to September 30, 1952, the period for the filing of conversion applications. Applications should be submitted to the Deutsche Notenbank, Franzosische Strasse 42/44, Berlin W 8, the successor to the Banken-Kommission. Supporting documents may be filed before December 31, 1952, and should include confirmation of the balance of the account as of May 9, 1945, from the bank where the account was originally maintained.

## **U. S. Members, Conciliators' Panel, Brussels Intercustodial Agreement**

Press release 658 dated August 25

Malcolm S. Mason, formerly General Counsel of the Office of Alien Property, and Owen J. Roberts, formerly Associate Justice of the Supreme Court of the United States, have been elected as U.S. members of the Panel of Conciliators set up under the "Agreement Relating to the Resolution of Conflicting Claims to German Enemy Assets," otherwise known as the Brussels Intercustodial Agreement.

Article 35 of the Brussels Intercustodial Agreement, which was signed by the United States, Canada, Belgium, Denmark, Luxembourg, and the Netherlands and which went into effect as to these countries January 24, 1951,<sup>2</sup> provides that each signatory party may nominate not more than three candidates for election to the Panel of Conciliators. Article 35 further provides that the parties to the agreement shall elect from the candidates seven conciliators, who shall constitute the panel. However, not more than two nationals of the same country may be elected to the panel. In addition to Malcolm S. Mason and Owen J. Roberts, the following were elected:

Jacques Rueff, France (President)  
Marcel H. Bregstein, Netherlands  
Georges Kaeckenbeeck, Belgium  
Jens Herfelt, Denmark  
Lambert Schaus, Luxembourg

Article 37 of the Brussels Intercustodial Agreement provides that in the event a dispute between the parties to the agreement is not resolved within a reasonable time, a party may request the appoint-

<sup>1</sup> For text of Department's announcement to this effect, see BULLETIN of Dec. 18, 1950, p. 984.

<sup>2</sup> For text of Department's announcement thereto, see BULLETIN of Feb. 19, 1951, p. 294.

ment of a conciliator from the panel for settlement of the dispute. The solution formulated by the conciliator shall be final and binding upon the parties concerned.

The types of claims covered by the Brussels Intercustodial Agreement are those where the alien property custodians of two countries both claim the same German external asset, or where an alien property custodian claims that certain property is a German external asset and a national of a friendly country claims the property is owned by him beneficially through an intermediate corporation. With regard to this latter type of case, reference is made to the Department of State BULLETIN of May 26, 1952, p. 821, for Department announcements requesting American claimants who have interests in property falling under the agreement, or in other property in allied or neutral countries, which has been seized or blocked as enemy property, to submit information to the Department of State on the basis of which the Department might take action to protect their interests.

In addition to the above six signatories as of January 24, 1951, four Latin American countries have adhered to the agreement: Honduras, October 8, 1951; Nicaragua, October 23, 1951; Cuba and Haiti, October 24, 1951. Any dispute involving these countries is likewise subject to settlement by a conciliator from the panel.

## **Claims Involving U.S. Interests Seized as German Enemy Property**

Press release 667 dated August 26

Notice is hereby given that under article 23 of the Brussels agreement relating to the resolution of conflicting claims to German enemy assets (the Brussels Intercustodial Agreement) claims of Americans who have certain interests in property in Honduras, Nicaragua, Cuba, and Haiti seized or blocked as German enemy property must be sponsored by the State Department and received by the country in which the property is located within one year of that country's adherence to the agreement. The various deadlines are accordingly: Honduras, October 8, 1952; Nicaragua, October 23, 1952; Cuba and Haiti, October 24, 1952.

The type of claim falling under article 23, in general, involves property of any kind in Honduras, Nicaragua, Cuba, and Haiti owned by a corporation or other enterprise organized under the laws of Germany in which corporation or enterprise Americans are shareholders, bondholders, or have any other form of participation.

Americans with this type of claim are requested to submit *forthwith* information thereon to the Department of State, so that the Department may examine the claim and, if appropriate, transmit it

within the time limit to the country concerned as a sponsored claim under the Brussels Intercustodial Agreement.

Communications to the Department should be addressed to Adrian S. Fisher, Legal Adviser, Department of State, Washington 25, D. C.; should refer to the present press release; and should contain information as to the kind of property, the country in which it is located, the interest of the American claimant in the property, the estimated value of such interest, the residence and nationality status of the claimant, and any facts which would be helpful in tracing the American interest into the property in question. Communications should also refer to any prior correspondence with the Department of State.

In the present connection reference is made to related press releases for background information: no. 92 of February 6, 1951; no. 93 of February 6, 1951; no. 1086 of December 12, 1951; no. 365 of May 8, 1952; and no. 658 of August 22, 1952.<sup>1</sup>

It should be pointed out that press release no. 93, dealing with "American Interests in Property in Allied or Neutral Countries Seized or Blocked as 'Enemy' Property," is broader than the present press release, and requests information as to property in all Allied or neutral countries which has been seized or blocked as German, Japanese, Italian, Bulgarian, or Hungarian and whether the American interest is direct or indirect.

## Survey of Point Four Program in Latin America

Press release 674 dated August 28

Stanley Andrews, Administrator of the Technical Cooperation Administration, Department of State, left on August 28 with two of his staff for Habana, Cuba, on the first leg of a tour of eight Latin American countries to survey the work of the Point Four Program.

He is being accompanied by Paul Duncan, Director of TCA's Program Information and Reports Staff, and Omar B. Pancoast, Director of the Program Planning Staff.

Besides Cuba, the Administrator and his party will study activities of technicians and management of the program in Peru, Bolivia, Paraguay, Brazil, Panama, Costa Rica, and Nicaragua. They will return to Washington about September 28.

The Point Four Program is operated in Latin America through the Institute of Inter-American Affairs, an integral part of TCA, which pioneered in technical cooperation with underdeveloped areas.

<sup>1</sup> See BULLETIN of Feb. 19, 1951, pp. 293 and 294; *ibid.*, Dec. 24, 1951, p. 1013; *ibid.*, May 26, 1952, p. 821; *post.*, p. 364.

Joint projects are carried on by 19 individual countries with technical assistance from the United States, partly through the mechanism of "servicios," in addition to other projects which the TCA assists financially through the United Nations and the Organization of American States.

At the end of July, there were 541 U.S. technicians and other personnel in Latin America working with a much larger number of Latin American technicians in the fields of health and sanitation, education, agriculture, forestry and fisheries, natural resources, labor, transportation and communication, industry, public administration and government services, social services, and housing. Congressional appropriation for the work there in the present fiscal year is in the amount of \$20,329,000.

## International Monetary Fund and Bank Activities

### *Loan to Colombia*

The International Bank for Reconstruction and Development on August 26 made a loan of 25 million dollars to Colombia. Twenty million dollars of the loan will be used to help build a railroad in the Magdalena River Valley; the rest will help build and equip railroad repair shops in Bogotá. Both projects are part of a broad program being carried out by the Government for the improvement of the Colombian National Railroads.

The Magdalena Valley line will be 235 miles long and will connect the country's eastern and western rail networks. It will provide all-rail transport between the port of Buenaventura on the Pacific coast and the areas of Bogotá and Medellín, as well as a fast and reliable river-rail route between central Colombia and the Caribbean ports. At present, traffic through the valley is carried on the Magdalena River, but on some sections of the river, navigation is subject to frequent interruptions in dry seasons. The railroad will supplement river transport in those sections.

The new repair shops will provide facilities for proper reconditioning and maintenance of rolling stock, which now lies idle for long periods awaiting repair. With this rolling stock in good condition, the efficiency of rail service will be improved and the need for additional cars and engines for the Magdalena Valley railroad and all the connecting lines will be reduced.

The Bank's loan will be used to pay for imported equipment and services needed to build the new railroad and the repair shops. The imported goods to be financed are mainly structural steel, rails, work trains, and construction equipment for the new railroad, and machinery and tools for the

new Bogotá shops. The total cost of the projects is estimated at 49 million dollars (122 million pesos)—25 million dollars in foreign exchange and 24 million dollars in Colombian pesos. The work will be carried out by experienced engineering and construction firms under contract with the Ministry of Public Works and is scheduled for completion by late 1956.

Building the Magdalena line and constructing the repair shops are integral parts of a comprehensive railway program being undertaken by the Government to eliminate conditions that are imposing a serious burden on almost every sector of the economy. At present, shipping costs are heavy, deliveries are often delayed, there is excessive breakage and pilferage of shipments, and insurance rates are high.

The program for railway improvement includes physical rehabilitation of existing facilities and a thorough reorganization of the National Railroads. Under the reorganization, the railways will be administered by an autonomous corporate body, with an independent manager and board of directors. Present operating procedures will be overhauled to get more intensive use of rolling stock, to increase the serviceability of equipment, and to improve the effectiveness of labor. The reorganized properties will be administered on the public-utility principle of providing the best possible service at the lowest possible charges consistent with a reasonable return on investment. The Government will assume the outstanding debt of the railroads and provide equity capital to cover local currency costs of the program. The railroads will pay to the Government the peso equivalent of the amortization, interest, and other charges of the Bank's loan.

Today's loan is the sixth made by the Bank to Colombia and brings the total of these loans to \$55,030,000. The Bank previously loaned a total of \$8,530,000 for hydroelectric projects in the areas of Cali, Manizales, and Bucaramanga; \$5,000,000 for the purchase of agricultural machinery; and \$16,500,000 for a program of highway construction and rehabilitation.

The Government of Colombia has been working closely with the International Bank in drawing up and carrying out plans for Colombia's economic development. A general survey mission jointly sponsored by Colombia and the Bank made a survey of the country's economic resources in 1949-50, and the Colombian Government subsequently established an Economic Development Committee, a nonpartisan group of leading private citizens, to outline an over-all development program based on the mission's report. Both the mission and the Committee gave priority to the construction of the new Magdalena Valley railroad as a first step in a comprehensive railroad improvement program. Construction of the railroad has been approved by the National Planning Board, which the Government created in April 1952, to

coordinate investment in Colombia's development program.

The Bank's railway loan of 25 million dollars is for a term of 25 years and bears interest at the rate of 4¾ percent per annum including the 1 percent commission which, in accordance with the Bank's articles of agreement, is allocated to a special reserve. Amortization payments will begin on August 15, 1957.

After approval by the Bank's executive directors, the loan agreement was signed by Cipriano Restrepo-Jaramillo, Colombian Ambassador to the United States, on behalf of the Republic of Colombia, and by Eugene R. Black, President, on behalf of the International Bank for Reconstruction and Development.

### *Loan to Iceland*

The International Bank for Reconstruction and Development on August 26 made a loan to Iceland to help finance the construction of a nitrogen fertilizer plant. The loan was made in various European currencies equivalent to \$854,000. The plant will save foreign exchange and make enough fertilizer to meet the country's increasing needs for some years. Iceland now imports all its chemical fertilizers.

Conditions of soil and climate in Iceland require heavy applications of nitrogen fertilizer, and an increase in agricultural production depends upon a plentiful supply. More intensive use of pasture lands will result principally in the increased production and export of lamb, mutton, and wool, thus bringing about a better balance in Iceland's economy by lessening her dependence on fishing.

Operating at full capacity, the new fertilizer plant will produce about 18,000 tons of ammonium nitrate a year. This is substantially above the current rate of consumption, but a gradual increase in the use of fertilizer is expected, and eventually the whole output will be used in Iceland. In the meantime, the surplus will be exported.

The loan is closely related to two previous loans made to Iceland by the International Bank. Like the loan of £360,000 (\$1,008,000) made in November 1951 to finance farm improvements, it should help to raise agricultural productivity. It is also related to the loan of £875,000 (\$2,450,000) made in June 1951 for development of power on the Sog and Laxa Rivers. The hydroelectric project on the Sog River will provide the power for the fertilizer plant. The plant will be operated so as to make the fullest use of electricity at times of day when other demands for power are low.

The plant will be operated by a corporation which will obtain most of its funds from the Government. The total cost of the plant is estimated at the equivalent of 7 million dollars, of which the

foreign-exchange cost is equivalent to 4.3 million dollars. Most of the foreign exchange is being provided by the Mutual Security Agency of the United States. The Bank's loan, equivalent to \$854,000, will provide European currencies for the purchase of rectifier equipment, cement, reinforcing steel, lumber, building materials, and window glass. The remaining cost of the project, amounting to the equivalent of 2.7 million dollars will cover labor and materials provided locally.

The Bank's loan is for a term of 17 years and carries interest at the rate of  $4\frac{3}{4}$  percent per annum, including the 1 percent commission which, in accordance with the Bank's articles of agreement is allocated to its special reserve. Amortization payments will begin on June 1, 1954.

After approval by the Bank's executive directors, the loan agreement was signed by Thor Thors, Minister of Iceland to the United States, on behalf of the Government of Iceland, and by Eugene R. Black, President, on behalf of the International Bank for Reconstruction and Development.

#### *Jordan Becomes Member*

The Hashemite Kingdom of Jordan on August 29 became a member of the International Monetary Fund and the International Bank for Reconstruction and Development when the articles of agreement of these institutions were signed at Washington on behalf of the Government of Jordan by Yusuf Haikal, Minister to the United States.

Jordan's quota in the International Monetary Fund is 3 million dollars and its subscription to the capital stock of the Bank is 30 shares with a total par value of 3 million dollars.

Fifty-four nations are now members of the Fund and of the Bank. Admission of Jordan brought the total of members' quotas in the Fund to \$8,736,500,000. The total subscribed capital of the Bank is now \$9,036,500,000.

#### *August Transactions, Monetary Fund*

The International Monetary Fund on September 1 announced that during the month of August the Fund sold \$30,000,000 (U.S.) to the Government of Australia, and received a repurchase payment amounting to \$25,500,000 (U.S.) from the

Government of Brazil and a provisional repurchase payment of \$27,121,500 (U.S.) from the Government of the Netherlands.

The transaction with Australia was effected pursuant to an arrangement announced last April. At that time, the Fund agreed to a purchase of \$30,000,000 for Australian pounds that could be completed at any time before September 30.

The payment by Brazil, which reduces the Fund's holdings of cruzeiros by a corresponding amount, completes a series of three repurchases by the member in June, July, and August amounting in all to 65.5 million dollars.

The payment by the Netherlands was accepted subject to the receipt of further data on the members' monetary reserves.

The Fund's exchange transactions to date total \$892,408,380. Repurchases in gold and U.S. dollars total \$184,693,538.

## **Appointments**

### *U.S.-Brazil Joint Commission for Economic Development*

Press release 660 dated August 25

President Truman has appointed Merwin L. Bohan as U.S. member on the United States-Brazil Joint Commission for Economic Development, the Department of State announced on August 25. Ambassador Bohan previously served in an acting capacity in this position following the death of Francis Adams Truslow in 1951. The Ambassador, who is now in Brazil, is on detail from his assignment as U.S. representative to the Inter-American Economic and Social Council of the Organization of American States.

### *Inter-American Economic and Social Council of OAS*

Press release 659 dated August 25

Julian C. Greenup, a Foreign Service career officer for approximately 30 years, has been appointed acting U.S. representative to the Inter-American Economic and Social Council of the Organization of American States, the Department of State announced on August 25.

## HUMAN NEEDS ARE WORLD NEEDS

*by Frances K. Kernohan*

The very nature of civilization in the world today brings us closer to world-wide human need. In the words of Mark Twain, "Human nature is so prevalent." We are faced with the urgency of creating an environment in which we can live at peace. The rapid advances of the physical sciences have resulted in a contraction of time and space. Communication advances make possible the knowledge of events shortly after they have taken place. In the span of a few years, distant areas of the world have become a matter of hours rather than of months. A vast amount of technical knowledge is now available to mankind. The countries with technical know-how are making their knowledge available to meet human needs wherever they may be and are thereby helping create the economic and social stability essential to a world at peace.

### **What Are These Needs?**

What are these human needs that are world needs? The human needs to which I refer are the changeless basic needs that man has had since the beginning of time—the need for food; the need for shelter; the need for security; the need for independence. You will recall that in August 1941 the Atlantic Charter expressed the hope that a peace would be established which would afford to all nations the means of dwelling in safety within their boundaries and which would afford assurance that all men in all lands might throughout their lives live in freedom from fear and freedom from want.

### **Who Are These People?**

Let's pretend that you readers are a cross section of the 2,400,000,000 persons in the world. Let's try to estimate your chances of living a happy, healthy, decent, and useful life. If you are born this year, then on the same day more than 200,000 other babies will be born all over the world. You will have less than one chance in twenty of being born in the United States. Your chance of being born in the Soviet Union will be not much better.

You will probably be colored. You and the 200,000 other babies are going to be born all over the planet, and there are just not enough openings in the places where the white race lives. You must take your chances with the other babies, and the chances are you will be colored—colored black, or colored brown, or colored yellow. Your chances of being born white this year are not more than one in three. Your chances of being Chinese are one in four; of being born in India, better than one in nine. You have only about one chance in four of being born a Christian. It is far more likely that you will be born a Confucian, or a Buddhist, or a Mohammedan.

Eight out of ten of you would work the soil and expend your energy in producing enough food to survive. At least six out of ten of you would not be able to read or to write. By our U.S. standards, most of you would be very young, for the life expectancy for two-thirds of mankind is less than 35 years. Many of you would be diseased. There are more than 300,000,000 cases of

malaria in the underdeveloped areas of the world today. Two-thirds of you would live in the underdeveloped areas and would belong to that two-thirds of mankind born into misery and poverty.

Can one-third of mankind carry the responsibility for the other two-thirds? Patently not. There are not funds available. The best the one-third can do is to help the two-thirds obtain a start on the road to their economic, social, and political stability. They seek help. They want to help themselves. They want independence—not dependence. Let us remember, for example, that the people of India, Israel, and Pakistan make up new nations. They are proud and sensitive. They carry heavy individual tax burdens. They accept strict rationing because they believe in themselves and in their future. Those who are social workers have come to know what such factors mean in the lives of individuals. The prognosis is good when the individual wants to help himself—when he *seeks* to help himself.

### **Is the World Facing These Needs?**

Over a year ago in Washington such phrases were heard as “a world beset with too rapid social change.” Early in April at a National Conference on International Economic and Social Development, students, representatives of industry, and our public officials faced the reality of the times by using the phrase “social revolution.” For us, the simple political reality is that we cannot survive as a free people if the two-thirds of mankind remains depressed and are sucked into the Soviet orbit. What would happen if the Near East and South Asia were lost to the world? Perhaps for a while we could maintain America as a fortress surrounded by a seething and a bitter world. The Soviets as well as we know in what conditions the two-thirds live. They know that the depressed of mankind recognize that near starvation, disease, and early death need not be the only way of life.

The question is, is the world facing these needs? I read not long ago an excellent analysis of the impact which these human needs are making on the world. Henri Laugier, former Assistant Secretary General in Charge of Social Affairs of the United Nations, reviewed the work of the Social and Humanitarian Committee of the General Assembly. His review took into account the various subjects discussed in that Committee since its in-

ception. Mr. Laugier reported the fact that on such subjects as the colonial clause in the Human Rights Covenant, freedom of information, the right of self-determination, a majority of some 30 to 35 states (made up of most of the South American countries, Middle Eastern countries, Asiatic, and Soviet states) joined together against a minority of 12 to 16 votes of the highly developed states such as Great Britain, the United States, France, Belgium, and Australia.

Mr. Laugier asks, “What does this mean?” He replies to his own question by saying that what it means is that in the Social Committee of the United Nations, where governmental pressure is not as great as in the political, economic, trusteeship, or financial committees, the highly developed countries have lost the control, the leadership of the international community; that this control and this leadership have gone over to the disinherited countries. He goes on to say that it means and signifies that there exist today in the world several hundred million men, women, and children who are leading a life which is not fit for a human being, in slums and with insufficient food, among sickness, ignorance, and illiteracy; and who, today, in this world of technical progress, are not willing to resign themselves to this fate. He points out that the same problem existed 50 or 100 years ago. At that time these men came into the world, lived and died on their own land like plants and animals. Today, in this scientific world, they know that within reach by plane, a few hours from misery, there exist countries where there is plenty of everything.

And they no longer resign themselves to their sad fate; they demand, discreetly today, imperatively tomorrow, an international night of August 4, 1789, when in France all feudal rights and privileges of the nobility were relinquished to the constituent assembly. The disinherited countries are arising to ask that these states abandon their privileges—states which history and geography have made into privileged countries.

### **Meeting the Challenge**

What is the free world, including the two-thirds, doing to meet the challenge of the need for food, for health, for the physical strength to produce a day's work, for the power to read, write, and govern? Much more is being done to cope with man's economic and social problems than can be



gleaned from a review of the daily news, which is dominated by urgent political issues. The disinherited are helping themselves through their participation in the United Nations and under their own plans. You will find in the composition of the General Assembly, various other U.N. bodies, the specialized agencies, and the U.N. International Children's Emergency Fund, virile representation by the underdeveloped countries.

Let us look first at what the United Nations and the specialized agencies are doing to help meet these human needs which are world needs. The preamble of the Charter of the United Nations pledged that body "to employ international machinery for the promotion of the economic and social advancement of all people." Since 1945, the United Nations and the specialized agencies have devoted greater international effort than was ever made before to meet these human needs. A vast network of machinery has been created.

The day-to-day operations of the several U.N. specialized agencies demonstrate what is being done at the "grass roots." Space precludes a comprehensive discussion of the purpose and scope of such specialized agencies as the Food and Agriculture Organization (FAO), the World Health Organization (WHO), and of the U.N. International Children's Emergency Fund—popularly known the world over as UNICEF. These agencies of the United Nations, like the several member agencies of our Community Chests, exist to meet special needs and there is continuing interagency cooperation and coordination.

Let us take an example of coordination, the primary focus of which is the meeting of human need. This example involves the World Health Organization, the Food and Agriculture Organization, and the U.N. International Children's Emergency Fund. In an area in northern India, an area a little smaller than Delaware, with a population of 150,000, a WHO nurse from England with a team of Indian nurses went into the villages to gain the confidence and cooperation of the people. By way of getting acquainted, the nurses treated the children of the village for minor ailments and talked with and gave advice to the mothers. When the confidence of the people was gained, the World Health Organization suggested that the Children's Fund provide financing for a few very simple maternal and child health centers. This financing was provided by the 26-government board of UNICEF. The maternal and

child health centers were opened and are flourishing today.

As a result of this cooperative endeavor in which the Government of India plays a leading role, these nurses have been able to collect "infant blood slides" essential to their basic purpose—malaria control. At the outset, it was found that 50 to 75 percent of the babies contracted malaria during the first year of life. After the cooperative endeavor got under way, DDT was provided by UNICEF for spraying the houses in these villages. One year of spraying with DDT reduced the malaria rate to 2½ percent. Two years of DDT spraying practically eliminated the disease.

With malaria under control, agricultural production increased, land values almost doubled, the areas under cultivation almost tripled. At this stage the Food and Agriculture Organization entered the picture. Nine experts were brought in to assist the villagers with various aspects of agricultural development. Three are working on land reclamation and teaching the farmers to use simple, improvised tools. One is helping in the eradication of cattle diseases. Two are dealing with the development of plants and grasses in the villages. One is working with the people in the tanning of hides, and two are helping with food preservation, canning, and dehydration.

### **The Children's Fund**

Another example of how the two-thirds of mankind are helping themselves through the medium of the United Nations can be found in the work of the Children's Fund. Created by the General Assembly in 1946, UNICEF has become the catalytic agent in the U.N. system which focuses on the needs of the world's children—the citizens of tomorrow. Since its inception and with the help of WHO, FAO, and the U.N. Social Affairs Department, UNICEF has brought aid to over 42 million children in 64 countries and territories. In many countries it has come to *mean* the United Nations.

UNICEF and WHO have been working together on health programs for children in various parts of the world. Their extensive programs to combat malaria, tuberculosis, and yaws in Asia are at last yielding impressive results. For example, at the end of 1951, 1,500,000 mothers and children benefited from these cooperative antimalaria campaigns. It is anticipated that this cooperative endeavor will reach 5 million mothers and children in 1952. Over 12 million children and

mothers were tested or vaccinated in a joint anti-tuberculosis campaign during 1951. In 1952 the goal is 26,750,000. In the combating of yaws, 2,375,000 were examined or treated in 1951, and the goal for 1952 is 6,400,000.

In India, for example, an antituberculosis campaign is presently under way. To date, 3,723,000 people have been tested and 1,250,000 have been vaccinated. It is expected that within 3 years the total population of children and young adults in that country will have been tested and a large number vaccinated against tuberculosis. The Government of India is carrying out this campaign in cooperation with UNICEF and WHO. The latter is providing personnel to train local teams; UNICEF is making available the necessary supplies and transport; the Government of India is providing the local personnel.

### **Economic and Social Council**

The Economic and Social Council (Ecosoc) is the keystone of the U.N. structure in the economic and social field. It provides a means for mobilizing and coordinating the resources of the United Nations and its specialized agencies in dealing with the vast complexity of economic and social problems. Mention of a few items on the agenda of the fourteenth session of the Council, which was held from May 20 to August 1 at the U.N. Headquarters in New York, gives some indication of its current scope. Agenda items included "The World Economic Situation," "Economic and Social Development in Underdeveloped Areas," and reports of the various commissions such as Human Rights, Status of Women, and the Social Commission.

The Social Commission, comprised of representatives of 18 governments, held its eighth session at New York from May 12-30. Many of the government representatives who attended are experts in the social field. They included Arthur J. Altmeyer, Commissioner for Social Security in the United States; F. H. Rowe, Director General of the Ministry of Social Welfare of Australia; and G. Vlahov, Deputy in the Health and Welfare Council of the Government of Yugoslavia.

The Social Commission's agenda included consideration of the "Training of Social Welfare Personnel"; "Improvement of Housing with Particular Emphasis on Underdeveloped Areas"; and "A Report on the World's Social Situation." This is

the first report which the United Nations has made in the broad social field.<sup>1</sup>

### **Advisory Social Welfare Services Program**

Under the Social Commission comes the operating arm of the United Nations in the social field. This is the Advisory Social Welfare Services program. Under this program expert advisers, fellowships, social welfare publications, films, and social welfare seminars are made available to governments upon their request.

In 1951, under this program 25 social welfare experts were sent to countries in Europe, Latin America, and the other continents. One hundred and ninety-one fellowships were provided to nationals of countries all over the world. Forty-nine of these fellows came to the United States.

What happened in northern India in the cooperative endeavor of the World Health Organization, the Food and Agriculture Organization, and the International Children's Emergency Fund, and what has happened as the result of the Advisory Social Welfare Services program are important ways through which the United Nations helps governments to help themselves. It is the application of the twentieth century know-how—the application of the technical assistance concept.

The two-thirds of mankind are also helping themselves under plans of their own devising. It is difficult for us to understand this two-thirds of mankind because we do not know them as individuals. I believe that it will facilitate our understanding if we look at the way one of these financially underdeveloped countries is helping itself. Let us turn for a moment to the word picture given the Department of State by Evelyn Hersey, the Department of State's social welfare attaché stationed at New Delhi, India. Miss Hersey has traveled some 50,000 miles in India and visited hundreds of villages there.

India, which is slightly more than one-third as large as the United States, has two and one-half times as many people who have been fighting a losing battle with starvation for generations. India became an independent nation less than 5 years ago. That independence is to the Indian one of his most precious possessions. Social

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<sup>1</sup> For a summary statement on this report by Walter M. Kotschnig, deputy U.S. representative to the U.N. Economic and Social Council, see BULLETIN of July 28, 1952, p. 142.

effort in India by individuals and groups has had a long history dating back thousands of years. Almsgiving is a traditional part of the Indian way of life. The joint family system has been the social security system of India for thousands of years. Like other countries whose social philosophy was founded on the joint family system, modern India is evolving new patterns to meet her human needs. The joint family system is breaking up. Industrialization has required parts of families to migrate to cities. As a byproduct, poverty in rural areas is coming about. The lack of facilities outside of the family to care for dependent children, the crippled, and the aged, have given an urgency to the development of new patterns to meet human needs.

### **India's Faith in the Future**

India is studying the social pains and maladjustments of other countries during their past periods of industrial revolution, and is seeking means of avoiding some of these difficulties herself. She is enacting labor laws; establishing a minimum age for employment; providing for the protection of women, including maternity benefits and industrial safety measures.

A brief look at some of the major social problems reveals overwhelming need and a demonstration on the part of the Indians of an almost unbelievable enthusiasm and faith in the future. Consideration is currently being given to the establishment of a Ministry of Social Welfare. In the field of health, the State and Central governments have over-all plans for social services. India has passed a health insurance law but is meeting difficulty in setting up pilot projects. The need for equipment and trained personnel is overwhelming. However, the use of mobile dispensaries and hospitals in outlying areas has begun.

The road to the liquidation of the 85 percent country-wide illiteracy is long and blocked by lack of finances and trained personnel. There are the problems of adult literacy training, vocational education, vocational guidance, and university training. In villages where India's mass literacy training program is under way, some eager adults have learned the fundamentals of reading and writing in 30 days at a cost of about 21 cents per person.

The impact of the twentieth century on India is

bringing about great changes in the status of women and children. In the social action field, India is bringing about the codification of the Hindu personal law which affects the status of women with regard to marriage, divorce, inheritance, and the holding of property. Several cities have juvenile courts, detention homes, and boarding schools. The need for establishing recreational facilities is understood in many parts of India. One recreational organization with some 40,000 members recently celebrated its twenty-fifth anniversary. The 5-year-old Central Government is now discussing a National Children's Act which it is hoped will be adopted by many states.

The bulk of the social work in India is being done by volunteers. However, the full-time social worker is beginning to appear. Volunteers and paid workers are both seeking more training. There are now three graduate schools of social work in India.

India has its National Red Cross, National Boy Scouts, Girl Guides, YWCA, and YMCA. In the last 2 years a penology conference has been formed and an association for adult education. The All-India Women's Conference is a national organization of women interested in social reform. Cities like Madras have formed organizations comparable to our Community Chests. In 1947 the Indian National Conference of Social Work was organized and is making an increasing contribution in the social field. Madras, Bombay, and New Delhi have published directories of social agencies. There is a recognition on the part of the Central Government of the importance of the social-work field, as is evidenced by the fact that the National Government Planning Commission has established a social-welfare section. A National Social Welfare Advisory Council to the National Government ministries has been formed and a National Advisory Committee to schools of social work has been formed by the National Government.

India is in truth making a tremendous effort to meet the human needs of her people. Other countries like India are undertaking similar programs.

### **Meeting the Needs of Underdeveloped Countries**

What are the United States and other countries of the free world doing to help the disadvantaged two-thirds of mankind? The record of our Government is an honorable one. Specifically, the

United States is doing much to help. The support of the United Nations is a declared touchstone of U.S. foreign policy. We are members not only of the United Nations but also of all the specialized agencies, of the Children's Fund, and of organized international effort on behalf of refugees and the victims of the war in Korea. We are a major contributor to the United Nations and the specialized agencies and these other organizations. We have been the largest contributor to the U.N. International Children's Emergency Fund. The Soviet Union and its satellites, although members of the United Nations, are no longer members of the specialized agencies. The Soviet Union, although still a member of the Children's Fund, has not contributed one red ruble. The Children's Fund in the early days gave some 35 million dollars out of its total resources of 165 million dollars for the aid of mothers and children behind the Iron Curtain.

Any discussion of U.S. participation in the world effort to find better ways to meet human needs is not complete without reference to Latin America and the Organization of American States. The United States, recognizing the increased emphasis on social welfare throughout Latin America, has recently accepted a seat on the eight-nation Social Cooperation Commission of the Inter-American Economic and Social Council.

Our Government is also undertaking a vast student exchange program which in this past year has brought approximately 2,685 foreign students to this country.

### **The Point Four Program**

And last, but by no means least, there is the major effort on the part of our Government under the Point Four Program. In 1949 the President of the United States announced a "bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas." In commenting on this move, Arnold Toynbee, the great English historian, stated, "Point Four is one of our best hopes for the survival of free societies." Point Four has become a reality. By late 1951, projects were in operation in 33 countries, and during the year ending June 30, 1952, the number of persons employed on Point Four projects overseas is expected to reach almost

3,000. As Secretary Acheson stated last January, "Point Four has become a settled part of our foreign policy . . . it is a long-term proposition to help people to help themselves . . . not an overnight miracle drug, not a philanthropy."

The technical assistance concept is not new. The Departments of Commerce, Interior, and Agriculture for more than 15 years have sent experts out to help improve census methods, to give expert geological advice, and introduce new methods of soil conservation. The U.S. Public Health Service and the Children's Bureau have carried on technical assistance programs in Latin America for a quarter of a century.

Our private social agencies and our chief church groups working overseas have often been the vanguard of governmental effort. For example, the National YWCA helped establish the New Delhi School of Social Work. The private foundations, Ford, Carnegie, Macy, Rockefeller, and others, have for years sought and found better ways to meet human needs and are now cooperating closely with governmental effort.

In American industry, the Point Four concept is not new. For example, the meat-packing industry has carried on an international exchange-of-persons program for many years. During a recent informal discussion, a representative of Westinghouse, stationed in Cuba, stated that when young engineers from this country reported for duty in Habana they were not permitted to rush into things in the typical American manner. Their first assignment was to become acquainted with the officials of the company with whom they were to work. Westinghouse learned several years ago that the approach to the Cuban businessman is somewhat different from that made to the American businessman. The psychiatric social worker may call this the establishment of *rapprochement*. Our Ambassador to India, Chester Bowles, terms it the creation and maintenance of the right psychological atmosphere. It is that ingredient—the art (or the science) of human relations—which makes possible the application and acceptance of technical know-how.

The Point Four concept and Point Four techniques are not new or impractical. However, the thing that *is* new is the boldness and the dimension. Ambassador Bowles speaks of it in terms of breadth, scope, and mileage.

## **The Colombo Plan**

Other developed countries in the free world are also assisting the underdeveloped countries. The concept of helping others to help themselves has been accepted as a free-world crusade. In May 1950 representatives of several Commonwealth Governments met in Australia and drew up a technical assistance program, the Colombo Plan, to help South and Southeast Asia. One-sixth of all expenditures for development under the Colombo Plan is to be used for social-service programs. High priority is given to schools and to the resettlement and rehabilitation of displaced persons. Smaller sums have been allocated to build hospitals and dispensaries, new housing, and to effect slum clearance. A review of the Colombo Plan now in operation shows that there have been requests for maternal and child welfare specialists. There is an expressed interest in psychiatric social work training.

Experience shows that these so-called bilateral technical assistance programs are effective. Point Four in India came into being when Prime Minister Nehru and Ambassador Bowles signed last January, on behalf of their respective Governments, an agreement establishing a joint fund under which the United States will make available 50 million dollars to India during the year ending June 30, 1952. The Indians will contribute for the same period at least an equivalent amount in rupees. Of major importance is the community development program, which contemplates the setting up of about 50 development areas in different parts of the country, each of which will reach upwards of 200,000 people in 300 villages.

## **The Indian Cooperative Union**

A recent communication from our social welfare attaché in India illustrates the type of activity taking place throughout that great country with the assistance of Point Four funds. Faridabad was a community of refugees who 4 years ago were hopeless, apathetic, and resentful. A little over 2 years ago a young Indian was sent by the Indian Cooperative Union to that community. He lived and worked with the refugees and encouraged them to help themselves through the organization of cooperatives. The Government sent in contractors to construct houses for 20,000 refugees who were living in tents under

miserable conditions. The natives of the community were mostly small shopkeepers and had never done manual labor. They refused to cooperate with the contractors. With the help of the Indian Cooperative Union, a plan was set up by which the natives could build their own houses. Thus, these men who had never made bricks or constructed houses went to work. The construction of the buildings was completed ahead of schedule. The refugees themselves built their town. They not only built their own houses but they constructed a hospital and set up clinics. Health work is going forward. Schools are established. Private industry from other places in India has been attracted to this new town. There are a myriad of examples like the achievements at Faridabad.

If the United States succeeds in helping India to carry out her own plans so that she sees that the future under a democratic system is not hopeless, then we will have contributed. Hope and faith were expressed by Ambassador Bowles in a recent speech delivered at Bombay:

Can Indian democracy, can democratic techniques, provide a better life for India's millions? We know that Indian democracy can provide fair elections. We know it can provide a secular state. It can give freedom of speech, of worship, and other freedoms. But can it free the Indian people from the shackles of poverty, and sickness, and ignorance? That is the question. The Government of India believes that it can. We believe that it can. India is now intent on proving that it can through its great Five Year Plan. We are intent on helping India—however, we may be able to make India's program of economic and agricultural development more successful.

India is faced with the problems of human need which have accumulated over the centuries. She seeks help as do the other countries who are coming to know that hunger, illiteracy, and early death need not be the only way of life. The manner in which the help is given will determine the degree of success or failure. Our social work know-how—accepting the client where he is; the concept of individual differences; that precious feeling of independence; the hope and courage that go into healthy growth; the right of the individual to lead a personally satisfying life—all are integral parts of action to meet human needs and to insure world peace.

If we who live in the last half of this century have enough courage and enough humility, and if our civilization can produce enough men and women who combine within themselves technical

knowledge and an understanding of human relations—then there is hope. We of the so-called developed one-third of the world do not have a corner on the market of this know-how. We must approach our task with humility. I will illustrate this point by a simple story that I heard not long ago at a meeting of the Executive Board of the Children's Fund:

Some seven centuries ago an Italian social-service worker set out on a journey to the Far East. After his return, he wrote a report which succeeding generations have continued to read eagerly from cover to cover. With exemplary modesty, he stated that he went to *teach* but remained to *learn*. The social-service worker's name, of course, was Marco Polo. His growing respect and admiration for the people whom he felt called upon to teach, but among whom he remained to learn, may teach us also a lesson.

Many of us who have worked closely with people whom we want to help have been impressed by their intelligence, their adaptability, their straight-forward reasoning, and their capacity for helping themselves. Experience shows that programs developed by and with the people they intend to reach have been the most successful.

*The Conduct of Life* by Louis Mumford contains this passage:

Today for the first time the human race as a whole commands resources that have hitherto been perverted or restricted for the benefit of a fortunate minority. In a fashion never so true before, we live by helping one another, and we shall live better by helping each other to the utmost. Now, at least potentially, every person has a claim to the highest goods of life: sensibility, intelligence, feeling, insight. All that goes toward the development of the person are no longer the property of a single ruling group or a chosen nation. This equalized potentiality for life and for development is the true promise of democracy.

• *Miss Kernohan, author of the above article, is Assistant Officer in Charge, United Nations Social Affairs, and alternate U.S. representative on the Executive Board of the United Nations International Children's Emergency Fund.*

#### **The U.S. in the U.N.**

A weekly feature, does not appear in this issue.

## **A Commentary on the U.N. Children's Emergency Fund**

*Statement by Walter M. Kotschnig  
Deputy U.S. Representative in the U.N. Economic  
and Social Council*

U.S./U.N. press release dated July 24

This is the story of Som Chit Sae Ma, a 7-year-old Thai girl, one of the many children in the world for whom a new life has opened up through the help given by the United Nations. Two years ago Som Chit's sarong caught on fire and her legs were badly burned. Since that time her right leg had been shriveling so that it was possible for her to get about only by hopping on her left leg. She might have gone on that way except for the fortunate chance of having been seen by a social welfare expert assigned by the United Nations to a newly established maternal and child welfare center that had been equipped by UNICEF (United Nations International Children's Emergency Fund). The child was taken to the center and given the necessary care so that she will be able to walk again.

More than one thousand maternal and child welfare centers have been equipped by UNICEF in 16 Asian countries and 900 more are to be equipped. They will serve the community directly and because they are there little girls like Som Chit can get the care they need.

This story can be duplicated among the more than 42 million children in the 64 countries and territories who have received help from UNICEF. The Fund celebrates its fifth birthday on December 11, 1951. Since its inception in 1946, the Children's Fund has brought concrete awareness of the United Nations to a larger segment of the world's population—the underfed and underprivileged who are the first targets of social unrest—than any other U.N. program. It is contributing to the social stability of countries by assisting children, the citizens of tomorrow.

The delegation of the United States supported the resolution unanimously adopted by the Social Commission on the report of the Executive Board of UNICEF. It will do so in this Council. As the years have gone forward, we have noted with appreciation the prevailing spirit of harmony in the transactions of the Executive Board. The 26-government Board recognizes the importance of its assignment—which is to help make the world a better place in which our children may develop into useful citizens.

With the steady growth of child welfare and health programs, the relationship of UNICEF and the specialized agencies and the United Nations itself has become increasingly close. As with any group of organizations which have general objectives in common, although widely varying indi-

vidual assignments, there is an ever-present question of interrelationship and teamwork. The difficulties can and are being overcome by constant attention to the need of maximizing the limited resources of each agency and by insisting that the people at the headquarters of each agency and the people in the field work together on a day-to-day basis.

### **Extension of UNICEF Programs**

My delegation has worked for and welcomes the extension of UNICEF programs in economically less developed areas. Of the funds allocated at the recent Board meeting, exclusive of emergency programs, over three-fourths were apportioned to Asia, Africa, Latin America, and the eastern Mediterranean countries. This was the first time programs for Africa were considered. We strongly support this development.

In general, the intentions and the accomplishments of the Fund in its long-range work are to be commended. The U.S. delegation to UNICEF will continue to urge that the greatest imagination and skill be used by the Administration of the Fund in planning with and assisting governments in the development of their permanent child-welfare and health services. We believe further improvements can be made—a better balance among the various aspects of child care achieved. We will continue to urge that more attention be given to child nutrition and welfare programs in contrast to the present heavy weighting on child health programs. We anticipate that the work on an integrated program for meeting the needs of children, which is at present being undertaken by the working group of the Administrative Committee on Coordination (Acc) will be of practicable assistance in further developing the emphasis of the UNICEF program.

We believe in the distinguishing characteristic of the Fund—the spending of its resources primarily for supplies. These supplies are concrete aids to governments in the development of their child-care services. However, we will continue to question the wisdom of the Fund's spending even a portion of its limited resources for the establishment of plants for the production of antibiotics and insecticides. It is our opinion that such capital expenditures—worthy as they may be—are not directed primarily to mothers and children, and so are not appropriate charges upon the Fund's resources.

We continue to concur in the wisdom of resolution 417 of the fifth session of the General Assembly which provides flexibility in meeting emergency situations. UNICEF is a tangible resource for countries faced with emergencies. Within a matter of days after the outbreak of floods in Italy, UNICEF took emergency action to

speed relief to 70,000 children in the flood-stricken Po River Valley. Some 16,000 mothers and children in the Philippines, who were victims of volcanic eruptions and typhoons, received emergency assistance in December of last year. With reference to the report before us, let me say that my delegation joined with others at the Board meeting in expressing the understanding that the Director of United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA/PNRE) would recommend to the next regular session of the General Assembly, the assumption by that organization of the total feeding budget for Palestine refugee mothers and children beginning December 1, 1952.

We note with satisfaction that the resolution before us recommends that there be increased effort to make known the achievements of UNICEF in its world-wide collaboration with the technical services of the U.N. and the specialized agencies. It is our hope that the working group of the Acc will make concrete proposals to the Social Commission on the further development of an integrated program for meeting the needs of children so that these proposals can be considered when the future of UNICEF is examined in 1953 in accordance with resolution 417 (V).

### **U.S. Contributions to UNICEF**

Finally, we note that this resolution calls the attention of government and private individuals to the urgent need for additional funds. In this connection the U.S. Congress passed, and the President has approved, legislation permitting further contributions to UNICEF through December 31, 1953, of not to exceed \$16,481,000 to the extent that funds are appropriated. This legislation is permissive only. An appropriation was passed by the Congress in the final days of the last session, and approved by the President, in the amount of \$6,666,667 under this authorization. The balance of \$9,814,333 authorized but not appropriated may be available for contribution if the Congress enacts, and the President approves, additional appropriations. This contribution of \$6,666,667, when made, will represent one-third or less of contributions from governments including local contributions of governments for the benefit of children within their territories. The cumulative U.S. contribution of \$87,416,667 which has thus far been made available by the U.S. Congress will represent over 70 percent of total contributions of governments to the central account of the Fund.

It is our hope that other governments, within the limits of their resources and commitments, will be able to continue their support of UNICEF so that this worthwhile humanitarian work can go forward in 1953 without interruption.

## Famine Expert Appointed to FAO

Press release 680 dated August 29

The Director General of the Food and Agriculture Organization of the United Nations (FAO) recently requested the United States to nominate an expert experienced in the international handling of foodstuffs for appointment to a Working Party, which the FAO Council has established to study proposals for dealing with emergency famine conditions. The U.S. Government has nominated Carl C. Farrington to serve on this Working Party. The group will meet under the auspices of the FAO at Rome, Italy, September 1-15, 1952.

The possibility of increasing international cooperation in dealing with famine conditions has been under discussion within the U.N. Economic and Social Council and the FAO for some time. In June 1952, in response to a recommendation of the sixth FAO Conference held at Rome in November and December 1951, the FAO Council considered the problem. It was decided to appoint a Working Party consisting of five independent experts to study the problem further, in line with the discussions that had taken place. Accordingly, the Director General of the FAO has requested two exporting countries, two importing countries, and one country interested in both exporting and importing to nominate experts to serve on the Working Party. Governments other than the United States which have been approached by the Director General are Australia, for an expert experienced in the acquisition, storing, transport, and disposal of cereals and other goods; France, for an economist experienced in the problem of international markets and marketing; India, for an expert experienced in the handling and provision of food supplies to meet acute food shortage or actual famine conditions; and the United Kingdom, for an expert experienced in the problems of finance, of balance of payments, and other exchange questions arising from international trade in commodities.

## Congress of Onomastic Sciences

Press release 675 dated August 28

More than 150 delegates from 22 countries, including the United States, attended the Fourth International Congress of Onomastic Sciences held at Uppsala, Sweden from August 18 to 21, 1952. Sweden, which is recognized as a leader in the advancement of scientific methods in the field of toponymics (place names), has over a period of 50 years developed standard practices for field work and a very thorough and detailed system of recording place-name information which were of great interest to the Congress.

Under the auspices of the Government of

Sweden, delegates participated in a 100-mile field trip through the Province of Uppland, one of the areas in which Swedish experts have done field work in place names, and in a tour of the Royal Swedish Toponymic Commission, which has its archives on the campus of the University of Uppsala.

The U.S. Government was represented at the Congress by Allen Belden, Chief of the Research Branch, Division of Geography, Department of the Interior, and John G. Mutziger, Chief of the Linguistics and History Section, Division of Geography, Department of the Interior.

The delegation of the United States introduced a resolution, which was unanimously adopted, to the effect that the proceedings of this Congress and the papers and proceedings of future Congresses will use the place names which are recognized as the locally-preferred and official names. This resolution, which is an important step toward the development of consistent international practice by experts in the field, embodies a principle fundamental to the work of this and other governments in the standardization of geographic names for use in map making.

The purpose of this series of Congresses is to provide experts on the scientific study of nomenclature with an opportunity to discuss the latest developments in the fields of toponymy (place names) and anthroponomy (family names), and to make cooperative agreements for stimulating consistent work in these fields. During the 3 days of the session which were devoted to scientific papers, delegates to the Fourth Congress considered tasks and methods of onomastics, cultural currents, and questions of settlement, European place names and their Greek and Latin forms, pre-Indo-European place names in Europe, cartographic representation of types of European place names, substitution of Christian personal names for pre-Christian names, and surnames and nicknames relating to trades.

The Congress of Onomastic Sciences was formerly known as the Congress of Toponymy and Anthroponomy. Its first two sessions were held at Paris in 1936 and 1947. The United States was officially represented at the Third Congress, held at Brussels in 1949. The Fifth Congress will be held in 1955 on the campus of the University of Salamanca, Spain, at the invitation of the rector of the University of Salamanca.

### THE DEPARTMENT

#### Appointment of Officers

Stanley D. Metzger as Assistant Legal Adviser for Economic Affairs, effective August 3.



## THE FOREIGN SERVICE

### Legations Raised to Embassy Rank

The Government of the United States on August 27 announced the elevation of its Legations at Lebanon, Syria, and the Hashemite Kingdom of Jordan to the status of Embassies.

### Appointment of Officers

The White House on August 25 announced the appointment of U.S. Ambassador to Czechoslovakia Ellis O. Briggs as Ambassador to the Republic of Korea.

## PUBLICATIONS

### Recent Releases

*For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.*

**Health and Sanitation, Cooperative Program in Haiti, Additional Financial Contributions.** Treaties and Other International Acts Series 2376. Pub. 4503. 4 pp. 5¢.

Agreement between the United States and Haiti—Signed at Port-au-Prince Aug. 23 and Sept. 28, 1951; entered into force Sept. 28, 1951.

**Health and Sanitation, Cooperative Program in Bolivia.** Treaties and Other International Acts Series 2377. Pub. 4504. 5 pp. 5¢.

Agreement between the United States and Bolivia supplementing agreement of Sept. 18 and Oct. 7, 1950—Signed at La Paz July 24 and Sept. 17, 1951; entered into force Oct. 16, 1951.

**Education, Cooperative Program in Nicaragua, Additional Financial Contributions.** Treaties and Other International Acts Series 2381. Pub. 4508. 4 pp. 5¢.

Agreement between the United States and Nicaragua—Signed at Managua Oct. 23 and Nov. 5, 1951; entered into force Nov. 5, 1951.

**Economic Cooperation With Yugoslavia Under Public Law 472, 80th Congress, as Amended.** Treaties and Other International Acts Series 2384. Pub. 4512. 21 pp. 10¢.

Agreement between the United States and Yugoslavia—Signed at Belgrade Jan. 8, 1952; entered into force Jan. 8, 1952.

**Health and Sanitation, Cooperative Program in Paraguay.** Treaties and Other International Acts Series 2386. Pub. 4535. 3 pp. 5¢.

Agreement between the United States and Paraguay—Signed at Asunción June 30, 1948; entered into force July 30, 1948.

**Health and Sanitation, Cooperative Program in Paraguay.** Treaties and Other International Acts Series 2387. Pub. 4536. 4 pp. 5¢.

Agreement between the United States and Paraguay—Signed at Asunción July 29 and Aug. 5, 1949; entered into force Aug. 19, 1949.

**Health and Sanitation, Cooperative Program in Paraguay, Additional Financial Contributions.** Treaties and Other International Acts Series 2389. Pub. 4537. 5 pp. 5¢.

Agreement between the United States and Paraguay—Signed at Asunción Sept. 10 and Oct. 29, 1951; entered into force Oct. 29, 1951.

**North Atlantic Treaty, Accession of Greece and Turkey.** Treaties and Other International Acts Series 2390. Pub. 4541. 10 pp. 5¢.

Protocol between the United States and Other Governments—Opened for signature at London Oct. 17, 1951; entered into force Feb. 15, 1952.

**Supplement to 1951 Biographic Register of the Department of State, April 1, 1952.** Department and Foreign Service Series 26. Pub. 4545. xii, 139 pp. 55¢.

This issue is a supplement to the complete *Register* dated April 1, 1951. It includes full biographies of new appointees and any changes that have occurred during the year.

**Security Treaty Between the United States, Australia, and New Zealand.** Treaties and Other International Acts Series 2493. Pub. 4608. 8 pp. 5¢.

Signed at San Francisco September 1, 1951; entered into force April 29, 1952.

### Check List of Department of State Press Releases: Aug. 25–30, 1952

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington, 25, D. C.

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658	8/25	Belgian Custodial Agreement
659	8/25	Greenup to OAS (rewrite)
660	8/25	Bohan: Joint Commission (rewrite)
†661	8/25	Anderson: Prisoners of war
*662	8/25	Ecuador: President's inauguration
663	8/25	Denial of Dept. influence at AHEPA
664	8/25	Briggs: Amb. to Korea (rewrite)
*665	8/25	Exchange of persons
†666	8/25	Anderson: Statement on appointment
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*668	8/26	Foreign Service retirements
†669	8/27	Broadcasting study group (ITU)
*670	8/27	Exchange of persons
671	8/27	Syria and Jordan to embassy rank
†672	8/27	Anderson: Repatriation plea
673	8/28	Compton: Crusade of ideas
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675	8/28	Congress of Onomastic Sciences
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*677	8/28	German property agreement
678	8/28	East German bank deposits
679	8/29	Text of German property agreement
680	8/29	Famine expert to FAO
†681	8/29	Venezuela trade agreement
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†Held for a later issue of the *Bulletin*.

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## Creation of Economic Strength in the Free World

*Remarks by Harold F. Linder*

*Deputy Assistant Secretary for Economic Affairs*<sup>1</sup>

COMMENTATOR: Statements are constantly being made that any increase in U.S. tariffs would hurt our allies in their fight against communism. Take the recent refusal of the President to accept the recommendation of the Tariff Commission to increase the duty on Swiss watches.<sup>2</sup> Shouldn't any action on tariffs be based on U.S. self-interest rather than on what effect it would have on some foreign country?

MR. LINDER: I believe that the American people are pretty much agreed that isolationism, whether in a military sense or in an economic one, is not a policy that will serve the best interests of the United States. Both the Democratic and Republican Parties are pretty much in agreement that creating strength in the free world is in the self-interest of the United States. The United States has been the leader in efforts to develop the economic strength of the free world. We helped, through the Marshall Plan, to rebuild the war-damaged economies of Western Europe. We are supplying arms under the Mutual Security Program. Through Point Four we are seeking to assure the basic economic stability of underdeveloped countries. We are also helping the free world to expand its production of strategic materials, and we are attempting to eliminate barriers to trade, which is an important element in the effort to create economic strength in the free world.

The Communists are well aware that actions taken which affect trade also affect our general foreign relations. You have a good example of that in Switzerland, where for weeks prior to the President's action on watches the Communists sought to make political capital by warning that the United States would undoubtedly raise the tariff on watches and thus smash the Swiss economy and force it to its knees. When the President acted, a small, frustrated, and rather plain-

tive Communist Party was the only segment of the Swiss populace that was unhappy. They were left way out on a limb, and American relations with Switzerland improved tremendously.

COMMENTATOR: I, of course, realize that the common defense of the free world is important to us, but does that mean we have to sacrifice our economic interests?

MR. LINDER: Decidedly not. We must realize that trade is a two-way street, that we stand to gain from imports as well as from exports. Back before the turn of the century, President McKinley repeatedly stated that the United States cannot continue to sell its products abroad unless it is willing to buy from abroad. Too few Americans believed this economic fact of life then, and too few understand it today. This has been partially responsible for the fact that every year since 1919 the United States has been giving away a good part of its national wealth and refusing to accept payment in foreign goods in return. The excess of United States exports over imports during the period since 1919 has reached the staggering total of 80 billion dollars. Take Switzerland, for an example. An increase in tariff on watches would have struck at Switzerland's most important export to us. It would have meant that Switzerland would earn less dollars with which to buy goods from the United States. As it is, during 1951 the Swiss bought from the United States more than 216 million dollars' worth of our products, including such important commodities as wheat, cotton, tobacco, automobiles, machinery, office appliances, and pharmaceuticals. We bought from Switzerland in 1951 only 131 million dollars' worth of goods. United States exports to Switzerland are therefore almost double our imports from Switzerland. It doesn't seem to me that we are sacrificing our economic interests because we let the Swiss earn their dollars to buy products from the United States. If, by reducing tariffs and other barriers to trade, we helped other nations to earn the dollars they need to buy our goods, it would be in the best interests of the United States.

<sup>1</sup> Made over NBC's "Pro and Con" Program on Sept. 5 and released to the press (No. 700) on the same date.

<sup>2</sup> BULLETIN of Aug. 25, 1952, p. 305.

COMMENTATOR: You say that reductions in the U.S. tariff are in the self-interest of the United States. Will you explain that further?

MR. LINDER: I would be glad to go into a little more detail. Unless we want to give away dollars with which foreign countries can buy our goods, we are only going to be able to sell abroad that amount of goods which equals in value that which we buy from foreign countries. If we decide to cut down the dollars we want to give away but we are not willing to increase our imports, it's going to mean a cut in the amount of goods that we sell to foreign countries. That, in turn, is going to affect the more than 3 million U.S. workers who are employed in export industries. It's going to hurt cities like Minneapolis, just to take one example, which earns more than a half-million dollars in wages each week from its foreign trade. It's going to hurt the American farmer. Foreign markets provided an outlet for over 4 billion dollars' worth of our farm products in 1951. This was equal to the combined farm income of New York, North Carolina, Indiana, and Kansas. Last year we sold abroad more than one-third of our production of cotton, wheat, flue-cured tobacco, rice, dried whole milk, dried peas, and grain sorghum.

Furthermore, as we decrease duties and thus let foreign countries earn their own way, we cut down the amount of foreign aid required. It will also mean that friendly foreign countries will be able to sell their products in the United States and will be able to buy more from the United States. It will thus be possible for them to avoid trading their strategic materials with the Soviet bloc.

COMMENTATOR: Many of our commentators, reporting from abroad, state that our allies want to stand on their own feet. They want to substitute trade for aid. What does our trade policy have to do with foreign countries earning their own way?

MR. LINDER: As I mentioned previously, the world has been buying more American goods than it can pay for, and it would like to buy even more, but it can't. This has resulted in a huge gap between America's imports and her exports—a gap which the United States has covered since the war with gifts and loans and Marshall Plan aid. But when we impose barriers, either in the form of high tariffs or restrictions on imports or embargoes, it means that foreign countries are not able to earn the dollars they need.

Our policy of giving aid and at the same time maintaining barriers against trade is certainly inconsistent. It is inconsistent with our efforts to build an economically strong free world; and it is also in conflict with the very basic principle that has made the U.S. economy strong, the concept that competition is what spurs progress in the United States. We can't very well tell foreign countries that they ought to get rid of their cartels and other restrictions and create more

competition and at the same time refuse to let them compete with us in the United States. Competition, whether it has been from other firms in the United States or from abroad, will continue to keep American business on its toes and keep the American economy expanding and progressive.

COMMENTATOR: In the President's letter turning down the Tariff Commission's recommendation on watches, he said that consumption of watches has quadrupled in the last 16 years that tariff reductions have been in effect. Did imports have anything to do with this increase?

MR. LINDER: I would say that they certainly did. Most of us can remember the days when it was unusual for an American to have a watch of his own. When tariffs were lowered in the thirties and imported Swiss watches were sold at a lower price than had prevailed previously in the United States, a tremendous market was opened up in which the domestic manufacturers shared. The Swiss development of self-winding watches, shock-proof and water-proof watches, as well as calendar watches, opened up further new markets for watches, and now U.S. manufacturers are also producing timepieces of these types.

I might also cite the case of imported wines and imported cheeses. They helped create an American taste for wines and cheeses, which made it possible for domestic industries to expand.

COMMENTATOR: Ambassador Draper, the U.S. Special Representative in Europe, last week reported to the President that the United States should substantially increase its imports from Europe and from other parts of the free world if America expects to keep its present volume of exports and at the same time get paid for it.<sup>3</sup> He said: "If this simple truth were clearly understood and accepted by our own people, regardless of party, the next administration and the new Congress would doubtless find ways and means to gradually accomplish the desired result." What steps would you suggest, Mr. Linder, to get foreign countries off the back of the U.S. taxpayer?

MR. LINDER: In the short time that we have available, I can mention only a few. Some of these are a reduction in trade barriers among the free nations of the world; simplification of U.S. customs procedures; elimination of legislation which makes it difficult for the U.S. Government to buy products from our allies, even when their price is lower than our own; and the elimination of U.S. restrictions on imports, such as the one on cheese and the embargoes on certain other products.

Paul Hoffman once estimated that if, out of every dollar we Americans spend, only 2 cents more of it were spent on buying goods or services from abroad, then the budgets of the world would balance, the currencies harden, and the world's most serious economic troubles end.

<sup>3</sup> BULLETIN of Sept. 8, 1952, p. 353.

If another 2 percent of our national income were spent on foreign imports, it would probably end all need for further gifts—goods, money, or military equipment—to our allies, for they could then buy those things from us out of their own earnings from what we had bought from them.

COMMENTATOR: U.S. trade policy, it is very obvious, can make a terrific impact on our domestic economy, as well as on our foreign relations. What are business, labor, and civic leaders doing to get this policy better understood?

MR. LINDER: Recent pressure to restrict imports has been causing business, labor, and civic leaders, as well as the Government, considerable concern. I am sure that they recognize that the problem is one that has to be decided by the citizens of the United States. It's up to them to decide what U.S. policy should be. Business, labor, and civic leaders are farsighted and are aware of the ramifications that U.S. trade policy has on Main Street,

U.S.A., and how it affects each and every taxpayer. I believe if the problem were better understood by the people of the United States that there would be even greater support for a policy for reducing barriers to trade and thus helping our allies to stand on their own feet. It would, of course, be helpful if greater public attention and discussion were focused on this problem, especially in the months ahead, since early in 1953, after the election and the installation of a new President and Congress, the U.S. Government and the citizens of the country will have to face up to this problem in concrete terms. In June of 1953 the present reciprocal trade-agreements authority expires. The country must then decide whether to turn the clock back toward the high-tariff days of the Smoot-Hawley Act or push ahead with the elimination of barriers to trade and thus increase the economic strength of the free world.

## The World Economic Situation

### ADDRESS BY EUGENE R. BLACK<sup>1</sup>

Let me begin by expressing my gratitude for the gracious hospitality being shown to us by the Government of Mexico. It was, I think, a happy decision of the Governors that we should meet in this capital city. It gives us a chance to see with our own eyes something of a nation in which the process of economic development is fully under way.

Since before the war, the income of the Mexican citizen has, on the average, increased by more than half. This improvement has been brought about by the growth of production in almost every part of Mexico's economy. It was achieved without conspicuously plentiful resources and often under difficult circumstances. It has been based, to mention only a few of many factors, on the energies of the Mexican people, the adaptability and initiative of the citizenry, on sound investment of public funds in the expansion of basic utilities and social services, and on the sustained confidence

of the country in a succession of competent national administrations.

The relations between the Bank and Mexico have been particularly close and continuous. The fact that we are meeting here is evidence not only of Mexican hospitality but also, I hope, of mutual satisfaction. Mexico, as a member of our Bank, can welcome us; and we, for our part, feel at home here.

This has been an active 12 months for the Bank. We slightly exceeded the record volume of lending we established last year. We provided more technical assistance to our members, especially in the planning of development. We were more active in raising funds in the capital markets of the world.

For the second consecutive year, our lending approached 300 million dollars. That sum is composed of 30 million dollars of new loans in Asia, 68 million dollars in Africa, 79 million dollars in Latin America, and more than 120 million dollars in Europe. Our second loan to Australia did not come until after the end of the fiscal year, but in each of these other areas we lent more than in the year preceding; and in Europe we lent substantially more.

Disbursements rose to 185 million dollars, the highest level since fiscal 1948. More than a third of this was used for purchases outside the United States.

<sup>1</sup> Made on September 5 before a meeting of the Board of Governors of the International Bank for Reconstruction and Development at Mexico City, and released to the press on the same date. Mr. Black, President of the International Bank, on this occasion, presented the Bank's seventh annual report to the Board of Governors. See p. 392.

The Bank has continued to adapt its lending policies and procedures to the differing problems presented by its borrowers.

### **Bank's Flexible Lending Techniques**

We usually lend for specific and individual projects. In the great majority of cases, this is the most practical and effective form of collaboration between us and the borrower. But even when we make loans for single projects, we often are financing some key component of a larger undertaking. Some of the Governors were glad to observe last year that in the case of Australia we were giving support to an entire program of development. We have made additional loans of this broader type since we convened in Washington 12 months ago—to the Belgian Congo, to Italy, to Yugoslavia, and, for a second time, to Australia. These cases differ considerably in detail, but they all reflect the principle that the Bank is as much interested in the progress a country can make on a broad front as in the success of a particular project. Program loans may continue to be the exception rather than the rule; but they definitely have taken their place among the instruments used by the Bank to promote economic development.

In other ways, the Bank has kept its lending techniques flexible. Our loan of last October in support of the 10-year plan for the development of southern Italy, for instance, is for us a new kind of transaction. It is not intended to finance the equipment needed for carrying out this program. Rather, it will cushion the impact of the program on the Italian economy, by providing dollars to meet some of the demand for imported goods that the 10-year plan will generate.

Our loan to Belgium, likewise, might be called an "impact" loan—designed in this case to offset the dollar cost that will arise from Belgian support of a development program in the Congo.

The Bank is keenly aware of the necessity for keeping its lending flexible in another important respect. Up to now, the Bank has lent chiefly in dollars. To the extent that we can lend in other currencies, we can better meet the needs of countries more able to service debt in those currencies than in dollars. During the year, we made one loan to Iceland and another to Yugoslavia which are repayable entirely in European currencies. Almost half our railway loan to Pakistan consists of French francs, and part of our loan to Southern Rhodesia will be disbursed in South African pounds. Nearly 15 percent of the amount we lent this past year is repayable in currencies other than dollars—a proportion much higher than in any previous year.

With our lending at the current rate, we have increased our own borrowings. We went to the capital markets four times, with two bond issues in the United States and our first public offerings

in Canada and Switzerland. The total amount of our issues was equivalent to approximately 175 million dollars, a sum greater than in any year since 1947. The Bank has also replenished its lendable funds by 23 million dollars of sales from its portfolio; more than 10 million dollars of these sales, let me point out, were made without our guaranty.

I am glad to say that our bonds enjoy a strong position in Switzerland, the United Kingdom, and Canada, as well as in the United States. As the amount of our dollar obligations has increased, there has been a satisfactory broadening of the market for our securities in the United States. The Bank has been affected, however, by a general trend, all over the world, toward higher interest rates. We have had to pay more on our own borrowings, and there has had to be a corresponding rise of interest rates on our loans.

### **Character of Bank's and Borrowers' Securities**

I would like to emphasize that the market for the Bank's own securities and for those received from borrowers is becoming more and more international in character. Of the more than 500 million dollars' worth of direct and guaranteed obligations we have outstanding, investors outside the United States hold approximately one-quarter. The central banking institutions of 12 of our member nations, in particular, have acquired for their reserves some of the largest known holdings of the Bank's bonds.

Finally, the Bank's lendable resources, as I have already implied, were increased by the release to us of parts of the local currency subscriptions of several member countries. The French Government, for instance, released the francs which will be used in the Pakistan loan, and the South African Government has made available to us pounds which will be used in the loan for Southern Rhodesia. Of particular note, let me say, was Canada's release, in the spring of this year, of 41 million Canadian dollars on a fully convertible basis. This constituted the balance of her original paid-in subscription of 58.5 million Canadian dollars to the Bank's capital.

If we survey all the funds which the Bank has had available for lending since the start of its operations, the international character of our financial resources emerges with particular clarity. Up to the end of the fiscal year our lendable resources amounted to the equivalent of nearly a billion and a half dollars. Of this, 375 million in dollars and other currencies—or about one-quarter in all—was received from, or borrowed in, our member countries outside the United States. I am hopeful, in spite of all the known difficulties, that the Bank will continue to receive releases of the currencies of its European members. The need for non-dollar funds is as urgent as ever.



## Private Participation in Bank's Lending

One of the main objectives of the Bank, I hardly need remind you, is to promote the international investment of private capital in economic development. The Bank's bonds themselves are one of the principal avenues by which such investment is made, and most of our sales from portfolio have been made to private investors. In addition, however, the Bank has continued to be able to interest the private market in more direct participation in its lending. American banks this year took portions of two of our loans—one to the KLM Royal Dutch Airlines, the other to Pakistan—at the time they were made. I see signs that private participation in our lending will become an increasingly important feature of our operations.

One condition, of course, for the international investment of private capital is that there be a reasonable prospect of repayment. In some cases, this prospect is clouded by the existence of obligations already in default; and in some instances the Bank has been able to encourage its member governments to start negotiating settlements on these obligations as an essential means of encouraging the resumption of foreign investment.

We have also, as you will have noticed in our annual report, made an intensive study of a proposal to establish an International Finance Corporation as a new instrument for investment in private enterprise. This Corporation would be affiliated with the Bank but would have its own capital subscribed by member governments. It would be able to do two things the Bank does not do: It could make loans to private enterprises without governmental guarantees, and it could provide equity capital. We have prepared a report on this proposal and shall continue to explore the idea with private financial and business interests and with our member governments. The proposal needs to be given further consideration, and the Corporation admittedly would be an experiment. But I personally think that it might prove to be a useful instrument for stimulating investment of private capital, both domestic and foreign, in enterprises significant in economic development.

The Bank, of course, does not regard itself merely as a source of financing. I have often said to you in these meetings that internal factors are more important in a country's economic growth than financing from abroad. We have therefore continued, at the request of member countries, to send our general survey missions, composed of impartial experts, to help those countries assess their potentialities and to draw up broad programs which will best channel their own energies and resources into development.

The reports of four of these general survey missions were presented during the year to the Governments of Cuba, Guatemala, and Iraq and, for Surinam, jointly to the Governments of the Netherlands and Surinam. The report of our mission to Ceylon was published earlier this week

in Colombo and Washington. In a few days, we will be presenting to the Government of Nicaragua the report of two of our staff members who spent nearly a year in that country, working with the Government in drafting a development program and starting to put it into effect. The recommendations of our recent mission to Jamaica are now being prepared in final form.

Economic surveys, I hardly need to tell you, are nothing new. Many good ones have been done, and some of them lie moldering in the archives of our member nations. It is still too early to say what the fate of our own surveys may be; but I am glad to say that the results, so far, have been encouraging. I believe that the Governor for Colombia would agree with me that the report of our mission to his country, and the recommendations by a citizens' committee on economic development which followed it, have already had an important influence on the economic life of Colombia. In the case of other countries more recently visited by our missions, our annual report gives many instances of action already under way to carry out fundamental recommendations and provide a basis for accelerated economic progress in years to come.

The Bank has continued to take a broad view of its responsibilities and opportunities in other respects. Indeed, we could hardly do otherwise and remain faithful to the character of our Bank as a cooperative, international institution.

Early this year, after expressions of interest by Iran and the United Kingdom, representatives of the Bank visited London and Tehran. The purpose of our mission was to see whether the Bank could work out some interim arrangement for restoring oil operations in Iran and give the parties to the dispute time to reach agreement. Our efforts, as you know, were not successful, and our negotiations were recessed in Tehran last March.

The Bank has also offered its services in another matter affecting two of its member countries. When I was in Asia late last winter, I discussed with the Prime Ministers of India and Pakistan an invitation I had already extended for the two Governments to examine, together with the Bank, the possibilities of developing the water resources of the Indus River System, which are so important to the economic development of both these countries. The Governments accepted this invitation. Their engineers met with ours in Washington this spring and successfully completed a series of meetings which drew up a program for studies of possible technical measures to increase the supplies of water in the Indus Basin. Their engineers and ours will convene again next November in Karachi for an exchange of information as a prelude to further meetings. I personally am encouraged. I hope that the eventual outcome will be the development of these water resources, with the help of the Bank, in a way which will bring great benefit to millions of people in both India and Pakistan.

## Future Increase in Bank's Operations

As we review the Bank's performance in the past year, I think we can take satisfaction from the fact that our operations have been disturbed remarkably little by the economic changes which have taken place since the outbreak of war in Korea. Looking forward, it seems to me that, if the Bank and its members fully grasp the opportunities they have, the coming year will see a significant increase in the Bank's operations.

In Europe, there continues to be an urgent need for greatly expanded production. This will require heavy investment in new plants and equipment as well as in modernization of old. It will have to be achieved without provoking inflation and will have to take place at the same time as United States aid is being reduced in scope and amount.

The Bank, for its part, can supplement Europe's own capital with dollar loans. I have already remarked that the scale of the Bank's lending in Europe was substantially increased during this past year. Our ability to lend in dollars, however, is limited by the fact that the capacity of many European countries to service additional dollar debt is itself limited.

From now on, it is clear, the countries of Europe will have to rely more on their own savings and will have to mobilize their own capital more effectively. This is a subject which is being actively studied on the Continent. The Bank has followed this study closely and with sympathetic interest.

Some of the proposals which recently have been made envisage the creation of a new financing institution. If new arrangements come into existence, the Bank would, of course, cooperate with them. But let me point out that new institutions themselves do not create savings. Fundamentally we must work with what we have. I myself believe very strongly that the Bank itself could operate effectively as an instrument for mobilizing European capital, and I doubt that sufficient consideration has yet been given to the role we might play in this respect.

The Bank already has had some experience in tapping private resources by the sale of its securities in European markets. With the cooperation of its members, it could be more active in raising additional private capital. That might well require the working out of new types of bonds and of distribution techniques that have not yet been tried. I think this is a field well deserving further study, and I am anxious to explore, with the Governors most closely concerned, any adaptation of our operations that would better fit them to the particular investment needs of Europe and to the special conditions now prevailing in Europe's capital markets.

The continuing movement toward economic in-

tegration in Western Europe may raise new opportunities for the Bank. The Schuman Plan, for instance, which aims at the integration of the continental coal and steel industries, has now begun to operate. The capital requirements of the Plan certainly will be large, and the necessary equipment probably can be procured for the most part in European currencies. Should the Bank be asked to provide some of the funds, questions would arise with which we have not previously been confronted; for example, concerning the form of guaranty needed for a loan to an international body. In any case, the Schuman Plan potentially has great importance. It is one of the projects that the Bank, should it be called on, would be glad to search for feasible ways to assist.

## Outstanding Economic Events of the Past 2 Years

For those of our member countries which are leading producers of primary commodities, the swift rise of raw-materials prices that followed the outbreak of the war in Korea, and now the recession of those prices to pre-Korean levels, have been the outstanding economic events of the past 2 years.

Not all primary products shared in the boom, and not all our less developed members shared in the higher earnings of foreign exchange that resulted. Nevertheless, a number of our member countries in Asia and Latin America made good use of extra earnings by devoting a sizable portion of them to financing economic development. To do so required firm and expert handling of the inflationary pressures exerted by high prices in world markets; among several noteworthy performances of this kind, I might specifically mention those of India and Colombia. At the other extreme, I regret to say, some members of the Bank not only failed to take advantage of the windfall from high raw-materials prices but allowed inflation to distort their economies to such an extent that they are not so well off today as they were 2 years ago.

In any event, the boom is now over and our less developed member countries are left to deal with the same hard problems that confronted them before. There are, however, many factors in the situation which I find encouraging. In the post-war years, and particularly in the last two, I think much progress has been made, both in a growing understanding of economic development and in the adoption of techniques to bring that development about.

The governments of underdeveloped countries are realizing more and more that economic progress is the primary responsibility of the countries themselves. Responsible leadership, to an increasing extent, is buckling down to the job and is at-

tempting to achieve progress through sound planning, financing, and engineering.

Many of the world's less developed countries are attempting to shape their economic policies—and especially their investment policies—to make better use of their own physical and financial resources. Intensive stock taking of these assets has been undertaken by an increasing number of governments as a first step in gaging more accurately the potentialities of their economies and determining the directions in which development should move. Programs and programing agencies have been established to assure continuity of effort. Finally, the financial resources, and the increasing skill of the underdeveloped countries in planning the use of those resources, have been supplemented by a growing volume of financial and technical assistance from the more advanced nations.

The problems which face the underdeveloped countries are still tremendous and difficult. Often in the past, I have stressed the shortcomings of the policies and practices of some of our member nations in dealing with these problems.

Nevertheless, the scene presented by the underdeveloped countries is one of growing activity and of a growing amount of soundly planned activity. The implication for the Bank is that we have a broader and better basis on which to conduct our operations.

Many times, the Bank has warned that massive injections of foreign capital cannot successfully be absorbed in the first stages of a country's development. We have pointed out that shortages of skilled manpower and the lack of basic facilities are limiting factors which will take a long time to overcome. These statements have sometimes been misconstrued as expressing a timidity or a lack of real will on our part to promote development.

The facts show otherwise. To more than half our borrowers, we have made repeated loans—to Mexico, for example, in 1949, 1950, and 1952; to Colombia in 1949, 1950, and 1951, and to Brazil in 1949 and every year since then. In countries of Asia and Africa, as well as in the developing countries of Europe like Turkey and Finland, we are doing the same thing.

### **What We Want From Economic Development Processes**

These continuing relationships are proof that, far from recoiling from additional commitments, we are on the contrary supporting the development of our member countries year by year and step by step. We are lending money in amounts our borrowers can effectively use and can reasonably be expected to repay; we are lending for those purposes that will do the most to make the borrowing countries more productive and able in the future to put still more money to work. This is

the basic principle of investment. Soundly and persistently applied, it can help nations to move forward.

Let us ask ourselves, what do we want, all of us, from this process of development? I think we want a world of freedom, of stable peace, of expanding production and trade—a world of opportunity in which free men can more and more govern their own careers.

How do we go about achieving what we want? Development is most certainly not the concern of only those countries whose standard of living is still woefully low. It vitally concerns, too, the more industrialized nations, because their own best hope of progress is an expanding world economy.

Financial and technical assistance will continue to be needed for many years from those countries which can afford exports of capital and skill. Granted that the underdeveloped areas do not yet have the capacity to make productive use of any huge inflow of resources, we must still admit that the present magnitude of international investment for development is clearly inadequate to the need.

Whatever form it takes, the assistance of the industrialized countries must be steady and continuous. It must not be warped by politics. And it must be accompanied by international economic and commercial policies consistent with the development objective—in particular by the removal of all unnecessary restrictions on the movement of goods in world trade and of the money needed to pay for them.

But the main effort—and most of the means—must come from the less developed countries themselves. They must want development, and they must want it badly enough to make some sacrifices. It is up to them to free the forces of progress in every way they can—by continuity of effort, by fiscal and economic policies that will encourage economic growth, by sound programs of investment, by a multitude of actions which will increase incentives for labor, for management, and for capital—both domestic and foreign.

These are some of the conditions of progress. If they are met—substantially—the underdeveloped nations can advance, not with a sensational rush but with an increasing momentum. And as the conditions of life improve, so will the prospects of a stable peace. Improvement in the living conditions of men brings a sense of personal fulfillment and self-respect. With respect for themselves as individuals, people are not easily fooled by the cynical and disruptive propaganda of demagogues—whatever mantle they may be wearing.

In development the Bank, I think, has a vital role to play. Not only can we be a source of some of the capital that is needed; but we can serve as a focal point for stimulating and supporting constructive action on the part of all those who are working toward the common goal.

## INTERNATIONAL MONETARY FUND'S ANNUAL REPORT, 1952

*Following are excerpts from the first chapter of the International Monetary Fund's Annual Report, 1952, which was made public on September 5. Other chapters of this report, in addition to 12 appendices, are entitled respectively: "The Use of the Fund's Resources"; "Gold Policy"; "Exchange Restrictions"; "Par Values and Exchange Rates"; "Membership, Organization, and Administration."*

At the time of the foundation of the Fund, it was envisaged that, after the destruction and dislocation caused by World War II had been repaired, a balanced pattern of multilateral world trade and payments would emerge in which the general support of restrictive and discriminatory policies would no longer be needed. Seven years have now elapsed since the war and more than 5 years since the Fund began operations. During these years there have been a remarkable growth in production and one widespread adjustment of exchange rates. The attainment of a stable international equilibrium, however, still eludes large parts of the world, and there has been little secure or sustained progress toward the Fund objectives of unimpeded multilateral trade and the general convertibility of currencies.

During the last 7 years, balance-of-payments difficulties have been continuous or recurrent, and most countries have either been unable to make substantial progress toward freer international trade or have had to reverse from time to time some of the steps taken in that direction. The difficulties at any given point of time can nearly always be represented as being, at least in part, the result of some special temporary disturbing factors. These special factors can, indeed, never safely be neglected. The frequent recurrence of balance-of-payments difficulties suggests, however, that an explanation of the difficulties should be sought in terms of the more fundamental and pervasive influences that to some extent have affected almost all countries.

The first critical situation arising out of the postwar payments disequilibrium occurred in the summer of 1947 and was associated with the short-lived resumption of sterling convertibility. It was temporarily resolved by the U. S. interim aid program and the Marshall Plan, which permitted the European countries to proceed with the restoration of their economies much more rapidly than would otherwise have been possible. Their recovery was in most cases substantial but, as the most urgent reconstruction and pent-up consumer and producer demands were satisfied, a second exchange crisis began to develop. Its first symptoms were seen in a tendency for some European exporters to find themselves priced out of dollar markets. The par values agreed in 1946 and 1947 were at first quite compatible with a

rapid recovery of exports because unsatisfied demands for exports were so large. As the urgency of many of these demands declined, however, it became apparent in many countries that inflation was adding to the competitive difficulties of exporters. The emergence of a buyers' market was hastened by a moderate downturn in economic activity in the United States early in 1949, and the exports of many countries began to lag. With a decline of confidence in certain key currencies, this resulted in the widespread devaluations of September 1949. A substantial improvement in the international reserves of many countries followed. This was due in part to the reversal of earlier speculative positions in regard to payments and orders and to a running down of stocks, but there was also a significant strengthening of the underlying balance-of-payments situation. In many countries restrictions were relaxed and some progress was made toward convertibility.

Before there had been time for the full effects of the devaluations of September 1949 to be worked out, fighting broke out in Korea in June 1950 and initiated a series of new developments to which balances of payments had to be adjusted. The immediate, and partly speculative, reactions to the outbreak of hostilities were followed by a readjustment or correction phase. The increased demands arising from stockpiling and rearmament raised prices, national income, and world trade to higher levels. It might have been expected that the increased demand for raw materials would, after some adjustments, lead to a new equilibrium, with the terms of trade and exchange reserves of the countries concerned somewhat more favorable than before June 1950. The reserve positions of many countries were, indeed, strengthened but this trend ceased with the subsequent decline in commodity prices, which reversed part of the initial improvement in the terms of trade of raw-material producers. The old troubles then reappeared. There were widespread balance-of-payments difficulties, reserves declined, and the earlier movement toward freer trade was to some extent reversed. While conditions in individual countries in the first half of 1952 vary widely, the reappearance of these difficulties provides a strong indication that the earlier efforts to restore a new world equilibrium had failed to get to the root of the matter.

A proper understanding of the fundamental causes responsible for the recurrent external disequilibria in recent years is not possible without reference to the domestic fiscal and monetary policies pursued by various governments. These policies have permitted continuous inflationary pressures and the connection between domestic inflation and balance-of-payments difficulties has become increasingly evident. Since the end of World War II the pressure of demand for consumption and investment goods and services has, for a wide variety of reasons, been allowed to pass

beyond the limits set by the resources available. The efforts to translate into reality the widespread desire for economic security and betterment, or, in some countries, to check the deterioration of standards realized in the past, have been an important factor in this situation. More recently, rearmament programs have made further demands upon the limited supplies of resources. Sometimes an inflationary situation has been produced that was clearly recognizable. Sometimes the effects of inflationary pressures have been temporarily concealed by devices such as price controls and subsidies. Without the aid given since the end of the war by various countries, and especially by the United States, inflation would probably have been more severe and the development and production would have been retarded. But even when temporarily held in check, the inflationary pressures have always been ready to reemerge and to upset such uneasy monetary equilibrium as may have been established.

In their efforts to satisfy the competing claims of divergent social and economic objectives, many countries have adopted economic and monetary policies which have meant that they were attempting to live beyond their means. Any such attempt is bound sooner or later to be frustrated but if this is not clearly understood or, if for social or political reasons governments feel it impossible to act in accordance with a correct understanding of the situation, the necessary adaptations of domestic policies to current changes in the balance of payments are not quickly or adequately made. Measures which it is feared will be unpopular are either not taken at all or taken only after long delay and then not pushed far enough. In the meantime, the continuance of inflation makes it difficult to recognize and respond to any structural changes that may be taking place. When there is excessive demand for all resources, the incentives to undertake the transfers of productive resources that may be necessary if long-term external equilibrium is to be established are seriously weakened. Continuous inflationary pressures and balance-of-payments problems are bound to make it increasingly difficult to insure the maintenance of supplies of essential raw materials, and therefore of steady levels of employment.

### **U. S. Predominance in World Economy**

While the recurrence of balance-of-payments difficulties is to be explained mainly in terms of the inflationary pressures generated by diverse conflicting claims on limited resources, other factors also have had a significant influence. The magnitude and range of U.S. production and productivity have placed that country in a position of predominance in the world economy and of comparative self-sufficiency. This situation demands difficult adjustments, in both the rest of the world and in the United States, that are still

far from complete. Agricultural protection in Europe and the United States still creates difficulties for some countries, and the other protective policies maintained in the United States, despite its great competitive power, also continue to embarrass other countries.

The industrialization of some of the raw-material producing countries, which was already under way before World War II and was further accelerated in response to the wartime disruption of trade connections, also calls for adjustments in the world economy, and particularly in the industrialized countries of Europe. Overseas industrialization means on the one hand diminished demand for the products of some European industries, while on the other hand it provides an expanded market for exports of all kinds of capital equipment. In recent years the industrializing countries have increasingly turned to dollar sources of supply to satisfy their demands for these capital goods. It has thus become difficult for the older industrialized countries to meet their dollar-area deficits by export surpluses to raw-material producing countries with a dollar surplus.

An aggravating factor in the recurrent balance-of-payments crises of the postwar years is the inadequacy of international reserves available to monetary authorities outside the United States. Although the gold and dollar holdings of countries other than the United States have risen to some extent since 1938, the increase has not been in proportion to the expansion of world trade and their value in real terms has been actually reduced by inflation. These trends, combined with the abnormally wide swings in balances of payments, have often produced situations in which reserves have appeared to be dangerously low. The attainment of any particular level or ratio of reserves is not by itself a guarantee against balance-of-payments crises; nevertheless, a more adequate cushion against balance-of-payments disturbances is clearly desirable so that more time may be available to make the necessary readjustments.

The significance of inadequate reserves has also been greatly enhanced by the fact that the disruption in the 1930's of the private international short-term capital market has not been repaired. Instead of private capital movements helping to minimize the use of official reserves, in a great number of countries the whole burden of adjustment to balance-of-payments fluctuations has had to be borne by central banks and governments. Balance-of-payments adjustments are also made more difficult by the virtual absence of any effective private international long-term capital market.

Postwar economic developments have further been affected by the international political developments which have proved much less satisfactory than was envisaged at the end of the war. The decline in East-West European trade is partly

responsible for the deterioration in the terms of trade of Western Europe, which has been cut off from the raw material and foodstuffs supplies of Eastern Europe. Similar difficulties have arisen in the Far East. Political tensions have led to a general feeling of insecurity which, combined with the growing sensitiveness to risks of economic insecurity, has induced disturbing short-term capital movements that greatly complicate the tasks of monetary policy. In the last few years, the conflict in Korea and increased political tension generally have necessitated rearmament which tends further to disrupt international prices, intensify inflationary pressures, and impose on countries increased burdens of adjustment.

Finally, the recurrence of balance-of-payments difficulties must also be attributed, in part, to a certain lack of effective cooperation between various countries. In the last analysis, the success of any international endeavor must depend on the degree of cooperation and coordination among countries. Progress toward a balanced pattern of international exchange would be more rapid if countries were to cooperate more effectively, for example, to insure careful consideration of the interests of other countries if restrictive measures have to be taken and in the stockpiling of scarce materials.

In the situation that has been described above, the steps taken by the Fund to facilitate the utilization of its resources by members, as described in Chapter II, have particular significance as fulfilling in part the need of members for a second line of reserves. The solution of members' problems requires, however, more than a strengthening of their reserves. For each country it will have to be found in the acceptance of appropriate domestic monetary and fiscal policies that are in accord with that country's balance-of-payments position. The Fund has an important role in helping its members to adopt such policies. Moreover, by watching developments and by providing a forum for an exchange of views between its members, the Fund can seek to increase the degree of coordination among them. There are some forces, such as the growing international tension, over which the Fund can have little, if any, influence. The adoption of effective balance-of-payments policies is still often impeded by domestic political forces. The difficulties that have been responsible for the recurrent exchange crises are not, however, irremediable. Indeed, within the past year, there has been increasing recognition of the fundamental weaknesses underlying external imbalance and a growing determination to come to grips with them.

While the Fund's main task is international—to seek a system of multilateral trade and payments—the purposes for which it was formed can be reached only if effective domestic measures are taken by its members. Whatever its cause, domestic inflation has been at the root of many recent

international difficulties, and as long as it continues, a satisfactory and stable system of international trade and payments will be impossible. Inflation has had much to do with one serious danger to international trade—the maintenance under conditions of peace of the division of the world into separate currency areas that followed the war. Such a division cannot last without the support of a network of administrative controls applied both to the external trade of countries and to their internal economies. The economic relations of countries are too pervasive to be confined for long within a complicated network of this kind, unless the controls are extended to many of their major activities. The choice before us is to end inflation or to move further toward a kind of world which is the antithesis of the world the Fund was formed to serve. In such a world, even the present weakened structure of international trade and payments is more likely to deteriorate than to improve.

#### **Initial Reactions to the Korean Outbreak**

U.S. imports, which even before the outbreak of the fighting in Korea were rising, showed a further prompt and vigorous increase after the conflict began; this increase dominated the first phase of the reactions to the Korean outbreak through the first quarter of 1951. The value of U.S. imports in the third quarter of 1950 exceeded that of the second quarter by 470 million dollars, or about 25 percent, and there were further increases of 260 million dollars in the fourth quarter of 1950 and 380 million dollars in the first quarter of 1951. During the first few months after the beginning of hostilities, foodstuffs (e. g., sugar) accounted for a more than proportionate share in this expansion of U.S. imports, but emphasis soon shifted to industrial raw materials. Remembering the wartime shortages and fearing a rise in prices, consumers, producers, and the U.S. Government sharply increased their demands. In the third quarter of 1950, the principal effect of these increases was to raise the volume of imports; subsequently, their principal effect was to raise import prices. In both the fourth quarter of 1950, when the value of U.S. imports rose by 11 percent, and the first quarter of 1951, when their value rose by 14 percent, the increase in import volume was only around 3 percent.

In the industrial countries of Western Europe, the movements of retail sales indicated a similar upward surge in demand in the third quarter of 1950. The value of their imports, however, did not increase until the fourth quarter (Germany and Switzerland were notable exceptions), and continued to rise through the second quarter of 1951. The expansion of European imports in general lagged behind that in the United States by one quarter. As a consequence, in contrast to the United States, Germany, and Switzerland, which had been able to obtain some of their additional imports at prices closer to the level of June

1950, most countries of Western Europe increased their purchases substantially only after prices had advanced. An important impediment to the expansion of European imports was probably the administrative delays in relaxing controls and the fact that the general public was at first less influenced in Europe than in the United States by the outbreak in Korea. The upsurge in retail buying in Western Europe in fact lagged about 2 months behind that in the United States.

The first quarter of 1951 thus marked the end of the initial reaction to the outbreak of fighting in Korea. By the second quarter, U.S. imports had turned down and the decline in commodity prices had begun.

### Balance-of-Payments Developments

The outflow of gold from the United States that had begun in 1950 lost its momentum in May 1951, when U.S. reserves were 21,861 million dollars, and a substantial inflow began in August. By May 1952, U.S. gold holdings amounted to 23,502 million dollars. The net deficit<sup>1</sup> of foreign countries as a whole with the United States, covering not only goods and services but also private capital movements and certain other transactions, amounted in 1951 to 3,156 million dollars, against 265 million dollars in 1950 and 5,348 million dollars in 1949. This deficit was financed not only by movements of reserves but also by substantial grants and loans.

Throughout the postwar period, U.S. Government grants and loans have been a factor of outstanding importance in the reconstruction and balance-of-payments developments of many countries, especially in Western Europe. The knowledge that this financial aid would be reduced was something to be taken into account in determining policy in 1951. Although Eca aid tapered off in that year, U.S. Government grants and loans (net) to foreign countries, including both military and economic aid, amounted to 4,594 million dollars, somewhat more than the 1950 total of 4,207 million dollars. Military grants increased from 580 million dollars to 1,460 million dollars, whereas economic grants fell off from 3,460 million dollars to 2,970 million dollars. Although most of the military as well as of the economic aid continued to go to the OEEC [Organization for European Economic Cooperation] countries, the total grants extended to them declined slightly.

The balance of payments of the United Kingdom deteriorated seriously during 1951, not only with the United States but also with the Eru

<sup>1</sup>Except where otherwise indicated, the balance-of-payments surplus or deficit as used in this section is measured by compensatory official financing.

[European Payments Union] area. Although the balance with the rest of the sterling area improved, from a deficit of £13 million in the first half of the year to a surplus of £116 million in the second half, this improvement was insufficient to offset the worsening vis-à-vis other areas, and the 1950 surplus of £255 million was followed in 1951 by a deficit of £756 million. For the year as a whole, the outstanding feature was the widening of the trade deficit, as the value of exports increased by 22 percent while the value of imports rose 47 percent. In the second half of the year, there was a sharp drop in the surplus on account of services, partly because of the stoppage of Iranian oil sales. The United Kingdom's balance-of-payment deficit with the nonsterling area rose from £204 million in the first half of the year to £655 million in the second half. Gold and dollar holdings, after rising moderately to 3,867 million dollars at the end of June 1951, fell in the next 4 quarters by 2,182 million dollars; at the end of June 1952, they were 1,685 million dollars, about the same as at the end of 1949. In real terms, gold and dollar holdings at the end of June 1952 were below the 1949 level.

The downward movement of reserves, indeed, gives an exaggerated picture of the real deterioration in the external position of the United Kingdom. In a time of uncertainty there was an inducement for importers in the United Kingdom to accelerate the dollar payments that they had to make and for the importers of U.K. goods abroad to delay the settlement of their obligations. These changes in the timing of payments, the so-called "leads and lags," were an important factor in reducing reserves. Any subsequent reversal of such short-term movements must be taken into account in interpreting later movements of reserves. One reason for emphasizing the importance of reserves is precisely the protection that they afford against the effects of temporary adverse changes of this kind.

The deterioration of the U.K. balance of payments was also the result of more fundamental changes in its economic position. For example, according to calculations in which c.i.f. import prices are used, its terms of trade in 1951 were 11 percent below those of 1950; the actual decline must have been less because freight charges increased. The most important factor, however, was undoubtedly the increase of 16 percent in import volume, which in part may have been the result of the rebuilding of stocks that had been allowed to run down in 1950, and is to be compared with an increase of 3 percent in the volume of exports.

With a view to checking the deterioration of its balance of payments, import restrictions were intensified in the United Kingdom. Most other countries in the sterling area also took similar action in the early months of 1952.

In the first half of 1951, the sterling liabilities of the United Kingdom to all countries increased by £425 million, to £4,168 million, and were then as high as they had ever been. By the end of the year they had fallen back to £3,807 million, not much above the level of £3,743 million at the beginning of the year. This movement was accounted for largely by changes in liabilities to other sterling-area countries. These increased from £2,732 million at the beginning of the year to £3,100 million at the end of June, and then fell off to £2,789 million by the end of the year. There were considerable variations in the records of individual countries, but the sterling balances of the United Kingdom's dependent territories as a whole tended to increase throughout this period.

Further evidence of the imbalance in world trade is afforded by developments in the European Payments Union, whose members clear through its machinery not only their own transactions with other members, but also most of the transactions of their associated monetary areas. Until May 1951 the sterling area had a surplus in EPU, but subsequently it had deficits which reached a peak of 236 million dollars in October. Although the monthly deficit has declined since then, the United Kingdom by the end of May 1952 had exceeded its quota and reached the stage of 100 percent gold settlement. Substantial invisible and capital transactions appear to have affected the EPU position of the sterling area, but an examination of the trade returns of the United Kingdom with continental OEEC countries, and of the latter with the rest of the sterling area suggests that U.K. trade was a more important factor in the reversal of the sterling area's EPU position than was the trade of the other sterling-area countries. The trade deficit of the United Kingdom increased and the trade surplus of the other sterling countries decreased, the increase in the deficit however being substantially greater than the decrease in the surplus.

The balance-of-payments position of the next largest member of EPU, France, also deteriorated sharply in 1951. The over-all deficit of the franc area, which in 1950 had been 217 million dollars, increased to about 1,000 million dollars in 1951, almost entirely on account of goods and services. The terms of trade deteriorated by 9 percent. The increase in the volume of exports (19 percent) was only slightly greater than the increase in the volume of imports; the export surplus with the overseas territories increased moderately; and the trade deficit with other countries grew substantially. Although the monthly deficit in EPU decreased in March 1952, France was by that time in the 60 percent gold settlement tranche of its quota.

The general balance-of-payments positions of a number of other EPU members improved. For example, the over-all deficit of the Netherlands decreased from the equivalent of 358 million dol-

lars in 1950 to 119 million dollars in 1951; Belgium's 1950 deficit of 301 million dollars was followed by a surplus of about 145 million dollars in 1951; and Western Germany, which had a deficit of 653 million dollars in 1950, had a small surplus in 1951.

The two largest members of EPU have been its heaviest debtors and three members, Belgium, Italy, and Portugal, have credit positions in excess of their quotas, requiring special arrangements for gold settlements. These are symptoms of the disequilibrium which has from time to time threatened a drain on the liquid resources of the Union. Some of the trade liberalization progress of EPU has been lost in an effort to reduce these payments difficulties. Free imports from other EPU countries were temporarily suspended by France and severely limited by the United Kingdom. Some creditors (especially Belgium) also introduced specific controls designed to reduce their monthly surpluses. These measures, taken together, may help temporarily to suppress the payments disequilibrium within Europe, but at the cost of retrogression in the field of liberalization.

Latin America's trade position with the United States shifted from a surplus in the first quarter of 1951 to a large deficit in the third and fourth quarters. An inflow of U.S. capital and of dollars received from exports to other countries maintained Latin America's reserves at a level in September 1951 which was still above that at the end of 1950; but they were declining sharply in the third quarter, and fell further in the fourth quarter. The Latin American Republics as a whole continued to run a modest trade surplus with the OEEC countries until the fourth quarter of 1951. The terms of trade of Latin America as a whole are down from the level of early 1951, but may still be above the level of the first half of 1950. Canada's over-all surplus fell from Can\$642 million in 1950 to about Can\$240 million in 1951, less than a quarter of the decline being accounted for by a worsening of the goods and services balance.

### **Continuance of Inflationary Pressures**

Balance-of-payments developments since the outbreak of hostilities in Korea in June 1950 afford another illustration of the inevitably close relationship between balance-of-payments difficulties and inflationary pressures. It was impossible immediately after hostilities began to predict confidently the course of events. In fact speculative purchases, the increased cost of imports, and the expansion of military outlays produced, in a situation where there were already inflationary potentialities, a mixture of cost and income inflation in both industrial and primary producing countries. The fact that steps were not taken in time to minimize these inflationary forces and to neutralize their impact was the outstanding element in the reversal after the middle of 1951 of



the favorable balance-of-payments position that had developed earlier in many countries.

The commodity boom of 1950 might have been kept within bounds if there had been a more widespread and prompt use of monetary policies and more effective coordination among countries in government stockpiling. This would have reduced the inflationary pressures felt during the first phase of the Korean war and would have smoothed the transition to rearmament economies. The increase in defense expenditures would have required in any case a reduction of the proportion of national expenditures directed toward civilian goods, and it was particularly desirable that any further complications through wide swings in terms of trade and speculative buying should have been avoided. Some changes in the terms of trade and in the balance-of-payments positions of raw-material producing countries may well have been inevitable; but if it had been possible to moderate the inflationary impact of these changes, the subsequent sharp reversal in international reserves would have been limited.

In some countries, indeed, considerable progress has been made in recent months in the fight against inflation. Uncontrolled inflation has not yet altogether ceased to be a danger but the threat today is generally not so great as it was a year ago. Even, however, where internal stability has been temporarily attained, the measures taken have often been insufficient to insure that it will be permanent. The main test of stabilization policy will come when rearmament expenditures reach their maximum.

During the first few months of the Korean war, the upsurge of speculative demand and the consequent increases in the prices of imported raw materials led in most industrial countries to a sharp expansion in bank credit. This expansion was slowed down after March 1951 by the decline in raw-materials prices, the tightening of credit and money market conditions, and stronger consumer resistance in reaction to the earlier spate of buying. In the United States, for example, commercial-bank loans to business and individuals, which had increased by 21 percent during the 9 months ended March 1951, increased further during the subsequent 9 months (April 1951–December 1951) by only 6 percent. There was a similar slowing down in the rate of bank-credit expansion in other countries, including Canada, the Netherlands, Italy, Switzerland, and Western Germany. This relaxation of inflationary pressures in industrial countries can also be seen in the movements of their cost-of-living indices during these two periods. The U.S. cost-of-living index, which had increased by 8 percent from June 1950 to March 1951, rose by less than 3 percent between March 1951 and December 1951, and declined slightly in the first quarter of 1952. Cost-of-living increases have similarly slowed down in most of Western Europe, particularly

where an effective monetary policy had been adopted, as in the Netherlands, Belgium, Denmark, Finland, and Italy.

The tendency toward a reduction of inflationary pressures in the latter part of 1951, was, however, less obvious in some other industrial countries, including the United Kingdom and France. In the United Kingdom, commercial-bank credit to business and individuals continued to expand until October 1951, when it was 15 percent higher than a year before. The continuance of inflationary pressures in the United Kingdom at a time when they were diminishing elsewhere can be traced in part to its greater dependence on imported food and raw materials, to its efforts to rebuild the stocks which had been allowed to run down when prices first began to rise, and to the speed and magnitude of its rearmament effort. A high level of reconstruction and investment has also continued to be an important factor. The difficulties of the United Kingdom were, moreover, prolonged by the delay in making adequate use of the weapons of monetary control. Throughout the postwar period, commercial banks in the United Kingdom have been subject to a form of selective credit control and since 1948 there has been a tendency for interest rates to rise gradually. But the decisive break from cheap-money policy came only in November 1951, when the discount rate of the Bank of England was raised, for the first time since 1939, from 2 to 2.5 percent. In March 1952 the discount rate was raised further, to 4 percent. In the meantime, the liquidity of the banking system was also reduced by funding a part of the floating debt. The consequent change in the financial climate of the country slowed down the expansion of bank credit to a considerable extent in the first quarter of 1952. It did much to restore confidence in sterling and to reverse the outflow of capital.

In France in the first part of 1951, political circumstances hampered the adoption of fiscal and monetary measures firm enough to check inflation, when military expenditures and a large investment program are taken into account. France has maintained elaborate quantitative restrictions on credit and the discount rate of the Bank of France, which had been reduced prior to the outbreak of hostilities in Korea, was raised in October 1951 to 3 percent, and in November to 4 percent. The Government's finance program, announced early in 1952, proposed to reduce some noninvestment expenditures and to link investment outlays more closely to the borrowings available from genuine savings.

Inflationary developments in the raw-material producing countries have followed a slightly different pattern. In some of them, e.g., Egypt, Venezuela, Costa Rica, and the Dominican Republic, the growth of the money supply during the 9 months ended March 30, 1951, was moderate. In most of them, however, the money supply in-

creased rapidly in response to the improvement in their foreign-exchange positions. This expansion was checked sharply after March 1951, when raw-material prices began to decline and import controls were liberalized. During the last 9 months of the year, the money supply actually declined in India, Ceylon, the Philippine Republic, and Uruguay. In most of the other raw-material producing countries, with the exception of a few such as Chile, the increase was quite moderate in comparison with the earlier period. In Australia the growth in the money supply ceased after April 1951. Australian imports, however, rose sharply during the last 9 months of 1951 and there was a large trade deficit which would have resulted in a contraction of the money supply if there had not been an increase of 18 percent in bank advances, the greater part of which was used to finance temporarily heavy stocks of imported goods.

The spectacular increases in the money supply during the first phase of the reaction to the Korean war were not, however, entirely a consequence of external factors; in many raw-material producing countries there was also a speculative wave of demand fed by an expansion of bank credit. The boom in raw-material prices, indeed, made it possible for many underdeveloped countries to raise extraordinary revenues through higher export duties which had been intended as an anti-inflationary measure, or by multiple currency practices. Countries such as Ceylon, India, and Indonesia were thus able to reduce their budget deficits, and some of them were for some time able to a greater extent than before to finance developmental projects from current revenue. But the decline in export receipts during the latter part of 1951 has in some countries raised again the problem of financing capital expenditure by normal taxes and genuine savings. In order to maintain exports at satisfactory levels in the face of declining raw-material prices, export duties have been reduced and budget deficits of uncomfortable proportions have begun to reappear.

The foreign-exchange reserves accumulated in the first phase of the Korean war enabled many countries during the readjustment phase to counteract the inflationist impact of reemergent budget deficits by increasing imports. But this remedy against domestically generated inflationary pressures involved a deficit on current external account and could be applied for only a short time. It is now, however, coming to be more generally realized that financial stability is an essential element in schemes for rapid economic progress. The difficulties of a country with limited administrative resources in collecting taxes and utilizing domestic resources have sometimes been exaggerated; recent experience in some countries, such as the Philippine Republic, has shown that much can be achieved by improving tax collections. At the same time, if the development of these countries is not to be unduly retarded, an expansion

of the flow of long-term international capital is required. This objective will not be attained without the active cooperation of both the countries receiving capital and those supplying it. Despite set-backs in certain areas, there have been some indications in recent months of willingness to adopt policies to attract investments to underdeveloped countries.

In India the bank rate was increased in November 1951 from 3 to 3.5 percent, and there was a partial withdrawal of support for Government bonds. At the same time domestic production had increased considerably during the year, while foreign demand for jute and cotton had slackened. Some stringency in the money market followed in the early months of 1952, which forced a general dishoarding of commodities, and there was a sharp fall in the wholesale price level in March 1952. Since that time prices have recovered a little. Australia, which in 1951-52 budgeted for a substantial surplus, has a system of quantitative credit controls but interest rates have not been a major instrument of monetary policy. The strain of rapid development and the regulation of wages in accordance with movements of the cost of living meant a continuous rise in the cost of living in Australia during 1951, even after the prices of raw materials had begun to decline.

#### **Rearmament Expenditures**

During the first year of the Korean war, defense expenditures did not increase sharply except in the United States and, because of military operations in Indochina, in France. In the United States these expenditures were roughly 26 billion dollars in the fiscal year ended June 1951, and about 47 billion dollars in the fiscal year ended June 1952, when they were covered largely by higher tax yields. For fiscal 1952-53 the expenditures are estimated at some 60-65 billion dollars and a sizable deficit is expected. The intensification of the conflict in Indochina led to a substantial increase in military expenditures in France prior to the outbreak of hostilities in Korea; a further increase in 1951 brought total military expenditures in that year, in money terms, to more than twice the 1949 level.

In some countries, such as Yugoslavia and Turkey, defense expenditures have been maintained at the high level that had been reached earlier. They have increased in the United Kingdom where, during the fiscal year 1952-53, they are expected to total approximately £1,500 million (against £750 million in 1949-50). Over the period 1949-51, defense expenditures have increased substantially in other European countries. This intensification of rearmament efforts has not led so far to any serious imbalance in government budgets except in France, but defense expenditure is still expanding, and the stresses and strains of this expansion are widely felt. Some countries have

had to revise downward their immediate plans for rearmament expenditure, and the need for further U.S. military and economic assistance has been pressed more strongly than was envisaged a year ago.

### Anti-inflationary Measures

As pointed out above, the instruments of monetary policy have been used more widely during the past year, particularly in the industrial countries of Europe and North America, to cope with the resurgence of inflationary pressures; interest rates have been raised and quantitative and qualitative controls over credit have been more extensively applied. Fiscal policy has also been adapted in some countries with a view to checking inflation. To some extent, direct controls, relaxed before June 1950, have been imposed. The movement toward direct controls is not widespread, however, and recent extensions have affected mainly raw-material allocations, foreign trade, and wages.

Among the fiscal measures adopted in the last year, the reduction of subsidies on consumption in countries such as India, the Netherlands, and the United Kingdom is noteworthy. In order to avoid increases in the cost of living and in wages, subsidies have often been used to offset the effects of increased costs upon prices. Recently, however, there has been a tendency to cut these subsidies substantially. The immediate anti-inflationary significance of these decisions has sometimes been small, because of counterbalancing tax concessions and the wage adjustments that might be made. Nevertheless, these changes, in addition to being significant as a move toward the restoration of an effective working price mechanism, serve to emphasize the basic need in all anti-inflationary efforts. Whether inflationary pressures are generated by an effort to use more resources than are in fact available—in response, for example, to rearmament or development demands, or to changes in the terms of trade—the central problem is to persuade people to accept the inevitable cuts in real consumption and in investment for civilian production. This requires that money wages and money profits should not be increased in an effort to compensate for higher taxation or higher costs of materials and consumer goods. The realization of this objective demands high standards of public responsibility and willingness to accept a plan for distributing the sacrifices that are unavoidable.

In addition, several countries have allowed long-term rates on government bonds to fluctuate more freely. Even where the policy of supporting government bond markets has not been completely abandoned, there has been an orderly withdrawal of support, and the market yield on government

bonds in many countries has consequently increased.

Interest rates on short-term government securities have also generally been allowed to rise. The policy of higher interest rates has been supplemented by quantitative and qualitative credit controls, which have themselves tended to raise the level of interest rates.

The general effect of restrictive credit policies has been to curtail speculative investment, mainly in inventories, and to dissipate inflationary expectations. Once these objectives are achieved, it may be possible to relax credit restrictions to some extent. If unemployment should rise to a level regarded as unacceptable, some relaxation of credit might become inevitable.

The tendency toward easing credit in order to meet the changing requirements of the situation is already evident in some countries. Early in April 1952, credit controls were lifted in the Netherlands and the reduction of bank rates in Belgium, Finland, and the Netherlands has already been mentioned. In the United States and Canada some of the selective credit controls and informal credit restrictions imposed on commercial banks have also been relaxed or withdrawn in recent months. In some countries steps have been taken to prevent higher interest rates from unduly retarding housing construction.

For a variety of reasons unemployment remains comparatively high in some countries of Western Europe such as Belgium, Denmark, Western Germany and Italy; in certain other countries, including the Netherlands and the United Kingdom, it has increased in recent months from previous low levels. There has been no tendency toward greater unemployment in the United States, where average unemployment, as a percentage of the total labor force, declined from 5 percent in 1950 to 3 percent in 1951, and was smaller in the first quarter of 1952 than in the corresponding period of 1951 (3.2 percent against 3.8 percent). To some extent, increases in unemployment have been due to the temporary resistance of consumers after a spate of buying, or to causes requiring some reallocation of productive resources. Thus, the recession in the clothing and textile industries of the United Kingdom, the Netherlands, and Western Germany is explained in part by the revival or building up of textile industries in other countries and the overstocking of earlier months. In some countries, the intensification of import restrictions elsewhere has also been a cause of unemployment. The unemployment trend in Western Europe needs to be seriously watched, if only because it might weaken the resolve to reduce inflationary forces and might give a cumulative turn to the recent restrictive international trade measures. While certain types of chronic unemployment may require joint international action, steps have already been taken in-

dependently in some countries to counteract the recent tendency toward unemployment. For example, an extension of public works is proposed in the Netherlands, and military orders are being more swiftly directed to the depressed industries in, for example, the United Kingdom and the Netherlands. The line of demarcation between inflation and deflation is necessarily a matter for delicate judgment. It has yet to be seen whether the unemployment that has appeared calls for anti-deflationary policies or whether it is the result of the cessation of inflationary pressures and of the shifts in production which must accompany the attainment and maintenance of internal stability and external solvency.

### **International Payments Prospects**

The readjustment of the payments disequilibrium between the dollar and nondollar areas was being made easier in the early part of 1952 by the reentry of the United States into the market for certain key commodities and by the foreign financing program of the U.S. Government. There were also some favorable developments that pointed to a more fundamental solution of the payments problem. The more general use of monetary and fiscal measures to keep effective demand within the limits of availabilities suggests a better understanding in many countries of the real nature of the problem.

With inflationary pressures still active in many countries, however, such balance-of-payments improvements as have been recorded recently have been achieved to a large extent at the cost of further trade and exchange restrictions and the additional distortion of trade that these restrictions are likely to involve. By reducing the supply of goods, these restrictions indeed will strengthen the forces of inflation. As rearmament expenditures increase, the supply of goods on the home market may be further restricted. The effects of political developments upon the level and timing of rearmament expenditures inject into the situation a further element of uncertainty. Demands for wage increases may upset the precarious balance between demand and supply and thus generate fresh inflation. Finally, there are still some important divergencies between prices in dollar and nondollar markets, which distort the normal course of international trade, impede the attainment of competitive prices, and threaten to complicate the present pattern of exchange rates.

### **Summary and Conclusion**

It is a melancholy fact that 7 years after the end of the war the Fund has to report that international payments are still far from having attained a state of balance and that exchange difficulties and exchange restrictions are again, over large

parts of the trading world, the order of the day.

In the years immediately after the war, disequilibrium in the world exchange markets was inevitable. The task confronting all countries at that time was primarily to restore and modernize production facilities after a long war which had caused great destruction, had altered prewar debtor-creditor relations, and had prevented normal capital investment. At the same time consumers were eager to replace their old, worn-out durable goods and purchase other consumers' goods which for so many years had been in short supply. Without substantial balance-of-payments deficits, many countries would have found it impossible to restore production rapidly and to make good consumption deficiencies. These deficits were partly covered by large-scale aid from abroad.

During the past few years, however, the restoration of production facilities has resulted in a volume of output—particularly of industrial output—throughout the world substantially higher than prewar levels. In spite of this, balance-of-payments pressures have never been entirely absent in many countries and, though the pressures have on occasion been relieved by singularly favorable circumstances—such as very high export prices—exchange difficulties have never been far from the surface, and any adverse change in circumstances has threatened to cause them to emerge in the form of a fresh exchange crisis.

It has been argued above that a basic reason for the persistence of these balance-of-payments problems so long after the restoration of production is that certain countries—and they constitute a large part of the world—have followed policies aimed at achieving higher levels of consumption and investment than could be covered out of the real resources available. The result has been a situation of inflationary pressure throughout the world that in certain countries has been aggravated by the emergence of a new important claimant on resources in the form of rearmament. The inflationary pressure has not been uniform; some countries have taken more effective and timely anti-inflationary action than others; some have disposed of much greater reserves of productive capacity than others and so have been able to satisfy out of their own resources the growing demands of consumption, investment, and government, including rearmament expenditures. Inflationary pressures have tended to spill across the frontiers. They have created excessive demands for imports and reduced the quantities of goods available for export to parts of the world less subject to inflationary strains.

In this situation the use of exchange restrictions and quantitative import controls, frequently of a discriminatory nature, has seemed inevitable to many countries; and during the past year there has been a tendency to extend and intensify these restrictions and controls. Even where the long-

term consequences of the measures adopted were clearly understood, the need for immediate action to deal with a critical situation has made it difficult to give adequate attention to them. In consequence, the treatment of exchange problems has frequently been symptomatic rather than radical: it has been aimed at the outward manifestations of balance-of-payments pressure rather than at its causes.

Restrictions and prohibitions and discriminations inevitably exert a strong influence on the structure of production and on the allocation of resources. The direction which they give to production and to the allocation of resources is not always determined by considerations which might be relevant in a system of rational "planning": it is often accidental, dependent as it is on the selection of goods as proper objects of import restrictions and discrimination. Goods considered by the authorities to be relatively less essential tend to be a favored object of import restrictions. In countries dealing with their balances-of-payments problems in this way, an incentive is thus given to the production of goods of this kind. At the same time, there is no adequate incentive to increase, or even maintain, the production of certain basic foodstuffs and raw materials, the shortages of which are an important factor perpetuating international disequilibrium. Attempts to meet payments problems by relying on the shelter of import restrictions or on the assistance afforded by other countries' import discriminations are likely, over a period of time, to lead to a more wasteful and inefficient allocation of resources and make the countries relying on these methods less, rather than more, capable of dealing effectively with their international payments problems.

The undesirable long-run consequences of exchange and import restrictions are often well known to the authorities of the countries applying them. Their continued use reflects in part the great difficulties that are felt to lie in the way of eliminating the basic inflationary causes of balance-of-payments deficits. Attempts to deal with inflation encounter resistance on the part of those who fear that such attempts must result in a spiral of deflation with all its evil consequences in the form of unemployment and loss of production. No one, however, would wish to initiate a spiral of deflation, and it cannot be assumed that a well-considered program for controlling inflation will necessarily have this effect.

The countries which, through their membership in the Fund, have subscribed to the objectives of expansion and balanced growth of international trade and currency convertibility have other economic objectives as well, such as a high level of employment, economic development or economic stability, high or minimum standards of living. In the short run, for particular countries there may be difficulty in reconciling the claims of all these objectives. In such circumstances it is the function of the Fund to provide a forum for

discussion. The judgment is embodied in the Fund agreement that the balanced growth of international trade, with the highest degree of multilateralism, currency convertibility, and currency stability, will itself be of major assistance in helping countries to attain their other basic economic objectives. It is the duty of the Fund constantly to remind countries of the weakening effects on the world economic structure of the mere symptomatic treatment of exchange difficulties and to urge them to give careful consideration to the question whether the policies they adopt set up incentives that lead, over a period of time, in the direction of international balance or in the opposite direction.

In the last resort, the maintenance of monetary stability depends upon the policies adopted by the domestic monetary authorities. In relation to every sector of economic policy, it is indeed the duty of all countries to recognize their mutual responsibility for each other's welfare, and for many purposes it is important to distinguish between inflation imposed by external forces and inflation that has been generated domestically. The distinction can, however, easily be pushed too far if it encourages the belief that the external causes of inflation are always predominant, that individual governments are therefore helpless to deal with an inflationary situation, and everything must wait for decisions to be taken by other more powerful governments abroad. Even when external conditions are most unfavorable, there is much that can be achieved by domestic measures.

The task of restoring a balanced system of international settlements that will function without periodic breakdowns is indeed formidable, even under the most favorable circumstances. To urge that, with this objective in view, more serious attention must be paid to the importance of monetary and fiscal policy in no way detracts from the overriding importance of maintaining and raising the level of world output. The fruits of postwar investment are now becoming available in increasing volume, but the world is still confronted with urgent production problems. There have been profound shifts of economic power as between different countries since before the war. New products have emerged and new demands developed. The old multilateral patterns of international settlement have been disturbed and new, more stable patterns have not yet replaced the old. International-payments equilibrium would be brought much nearer if, for example, the output of raw materials such as coal and of foodstuffs such as wheat could be expanded on an economic basis so that the need for dollar imports of these commodities would be reduced. The protective stimulus that restrictions give to the production of less essential goods and services has indeed been one of the factors that has caused the production of basic foodstuffs to lag behind the world's requirements.

This situation is one that calls for the most efficient possible allocation of resources on the part of all countries for a very high degree of competitive strength and for the maximum degree of flexibility in national economies in making the inevitable adjustments to changing circumstances, such, for example, as the reviving productive capacity of Germany and Japan. In making these adjustments each country should have regard for its trading position with all others as well, of course, as for its competitive position at home, and it should not allow an excessive preoccupation with any single market to deflect it from seeking to make its adjustments on the widest possible basis.

The efficient allocation of the world's resources also requires that continuous attention should be given to the problems of economic development. Wisely planned development will strengthen the balance of payments of countries whose natural resources have hitherto been neglected. The use of inflationary means of finance to promote development, however, often creates balance-of-payments difficulties, and even the development that it produces sometimes turns out to be disappointing. The underdeveloped countries need themselves to undertake measures that would assure for development some flow of resources from their own savings. No comprehensive program of development is possible, however, unless there

is a larger flow of foreign capital to the underdeveloped countries than has been the practice in recent years.

If, in this Report, great stress has been laid on the maintenance of internal monetary stability, it is because, in the judgment of the Fund, the balance-of-payments difficulties of the past couple of years have been due mainly to the attempt of many countries to do more by way of consumption, investment, and government expenditure than could be managed with the resources available to them. But it is obvious that the task of reestablishing a healthy pattern of international payments must be undertaken as much by the countries that achieve persistent surpluses in their balance of international payments as by the deficit countries. Obstacles placed by the surplus countries on imports, whether in the form of increased tariffs, import quotas and prohibitions, customs administration, or in any other way, may frustrate even the most strenuous efforts of the deficit countries to achieve international balance without resorting to restrictions. For this reason, the Fund expresses its earnest conviction that all countries in a strong balance-of-payments position should take all practicable means of reducing barriers to international trade as their most effective contribution to the restoration of a balanced world economy.

## U. S. Signs New Trade Agreement With Venezuela

### DEPARTMENT'S ANNOUNCEMENT

Press release 681 dated August 29

The Governments of the United States of America and of the United States of Venezuela signed a trade agreement at Caracas on August 28, 1952, which supplements and amends the trade agreement of 1939 between the two countries.

The agreement will enter into effect 30 days after exchange of a proclamation by the President of the United States and an instrument of ratification by the Government of the United States of Venezuela. This exchange will take place as soon as these documents can be prepared.

The new agreement provides for additional tariff concessions by both countries. Some Venezuelan concessions in the 1939 agreement are modified or withdrawn as a result of the new agreement, but new concessions, together with the 1939 concessions remaining unchanged, cover a wide range of U.S. agricultural and industrial

products. The Venezuelans also agree to extend more favorable customs treatment to products of the Virgin Islands. Under the revised agreement, the trade coverage of Venezuelan concessions is almost double that of the 1939 agreement. The United States grants new concessions on petroleum and iron products.

The Trade Agreements Extension Act of 1951 provides for a peril-point finding by the U.S. Tariff Commission with regard to every product on which a concession by the United States is contemplated. Under the law, a peril point is defined as the level of customs treatment below which serious injury may be caused or threatened to the domestic industry producing the product. If the President grants a concession going below the peril point, he reports such fact to Congress and explains his reason for the action.

In the case of crude petroleum, topped crude, and fuel oil, three members of the Tariff Commission found that a rate of 10½ cents would not

cause or threaten serious injury; the other three Commissioners found that the present customs treatment (quota arrangement) represented the peril point. Although there is some legal question as to whether a peril-point finding was actually made in the case of these products, the President, in the desire to inform the Congress, is sending a message to Congress<sup>1</sup> explaining the concession on these petroleum products. In summary, the President points out: (1) most of the domestic production of crude petroleum is of specific gravity of 25 degrees API or higher; (2) most of our imports are of higher than 25 degrees gravity; (3) the lower rate of 5¼ cents will apply primarily to imports of residual fuel oil, which is utilized mainly by power plants and energy-using manufacturing industries on the east coast. Many of these plants can also use coal. At present, because coal is cheaper and more available, such plants are using coal, and the change in the import tax is not expected to change this situation.

## MESSAGE OF THE PRESIDENT TO THE CONGRESS

White House press release dated August 29

On August 28, 1952, the United States signed an agreement with Venezuela which amends and supplements the Trade Agreement of 1939 between the two countries. In view of a special situation which arose in connection with this agreement, I am submitting the following statement to the Congress:

Subsection (a) of Section 3 of the Trade Agreements Extension Act of 1951 provides that before entering into negotiations for a trade agreement the President shall submit to the Tariff Commission a list of the articles to be considered for specific concessions and that upon receipt of such list ". . . the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 350 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and (2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles the minimum increases in duties or additional import restrictions required. Such report shall be made by the Commission to the President not later than 120 days after the receipt of such list by the Commission. No such foreign trade agreement shall be entered into until the Commission has made its report to the President or until the expiration

<sup>1</sup> *Infra*.

of the 120-day period." The findings of the Tariff Commission under this subsection are popularly known as the "peril point" findings.

Under subsection (a) of Section 4, in case the President enters into a trade agreement which exceeds the so-called "peril point" findings of the Tariff Commission he shall within the 30 days "transmit to Congress a copy of such agreement together with a message accurately identifying the article with respect to which such limits or minimum requirements are not complied with, and stating his reasons for the action taken with respect to such article. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, such agreement and message shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be."

Subsection (b) of Section 4 requires the Tariff Commission promptly after the President has transmitted such foreign trade agreement to Congress to "deposit with the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a copy of the portions of its report to the President dealing with the articles with respect to which such limits or minimum requirements are not complied with."

In preparation for the negotiations with the Government of Venezuela looking towards an agreement supplementary to the existing reciprocal trade agreement with that country of November 6, 1939, I submitted to the Tariff Commission a list of articles to be considered for specific concessions by the United States. In accordance with Section 3 of the Trade Agreements Extension Act of 1951, hereinabove set forth, the Tariff Commission reported to me on December 27, 1951, its findings with respect to each such article as to the limit below which concessions could not be granted without causing or threatening serious injury to the domestic industry producing like or directly competitive products. For a certain group of petroleum products<sup>2</sup> three of the Commissioners found that the peril point was the existing tariff quota arrangement (10½¢ per barrel or ¼¢ per gallon on a quantity equal to 5 percent of the total quantity of crude petroleum processed in refineries in continental United States during the preceding calendar year and 21 cents per barrel, or ½ cents per gallon in excess of this quantity). The other three Commissioners found that a rate of 10½ cents per barrel on all imports would constitute the peril point.

Although there are a number of legal issues involved on the question of whether there is or is not any peril point found within the requirements of

<sup>2</sup> Crude petroleum, topped crude petroleum, and fuel oil derived from petroleum (including fuel oil known as gas oil)—Paragraph 1733 Tariff Act of 1930 and Section 3422, Internal Revenue Code.

section 3 of the statute by reason of the evenly-divided Commission, I nevertheless desire to inform the Congress of the action I have taken with respect to these petroleum products in the agreement.

The text of the supplementary trade agreement which I have concluded with the Government of Venezuela is attached.<sup>3</sup> This agreement contains the following concession on Paragraph 1733 of the Tariff Act of 1930 and Section 3422 of the Internal Revenue Code:

<i>Tariff Act of 1930 Paragraph</i>	<i>Description of Article</i>	<i>Rate of Duty</i>
1733	Petroleum, crude, fuel, or refined and all distillates obtained from petroleum, including kerosene benzine, naphtha, gasoline, paraffin, and paraffin oil, not specially provided for (except petroleum jelly or petrolatum, and except mineral oil of medicinal grade).	Free.
<i>Internal Revenue Code Section</i>	<i>Description of Article</i>	<i>Rate of Import Tax</i>
3422	Crude petroleum, topped crude petroleum, and fuel oil derived from petroleum (including fuel oil known as gas oil): Testing under 25 degrees A. P. I.      ½¢ per gal. Testing 25 degrees A. P. I. or more.      ¼¢ per gal.	

Thus, when the agreement enters into force, a rate of 5¼¢ per barrel will apply to imports into the United States of crude petroleum, topped crude petroleum and fuel oil derived from petroleum (including fuel oil known as gas oil) which is testing under 25 degrees A. P. I. (American Petroleum Institute Rating); the rate on these same products testing 25 degrees A. P. I. or more will be 10½¢ per barrel.

The supplementary agreement with Venezuela will provide for increased trade between the two countries. It will contribute to the security of both countries and will stimulate the development of proven oil reserves in the Western hemisphere.

As compared to the 1939 agreement, Venezuela grants new or improved concessions on \$154 million of imports from the United States in 1950; on \$12 million of imports they are withdrawing the 1939 concessions; and on \$6 million of imports the new agreement provides for higher Venezuelan rates than in the 1939 agreement. The trade coverage of the 1939 agreement as supplemented by the new agreement is \$240 million or about 60 percent of total United States exports to Venezuela. Under the 1939 agreement, only 35 percent of our exports were covered. Among the impor-

tant items receiving new or improved duty concessions are apples, pears, certain dried vegetables, rolled oats, wheat flour, barley malt, baby and dietetic foods, wrapping paper, laboratory and refractory glass products, galvanized iron sheets, enameled iron and steel manufactures, builders' hardware, table flatware, unassembled trucks and passenger cars, motorcycles, aircraft and parts, trailers, radio and television receivers including parts, phonographs including combinations and parts, phonograph records, automatic refrigerators, scientific apparatus, hand tools, photographic products, office machinery, electric motors, pumps, numerous types of industrial machinery and apparatus and parts, generators and transformers. Among the products on which new bindings of duty-free treatment were granted by Venezuela are road building, textile and printing machinery, stoves, heaters and ovens, and parts for agricultural machinery. The agreement, as revised, covers 179 Venezuelan tariff items as compared with 88 in the 1939 agreement. It includes products of interest to practically every important group of United States exporters. Concessions by Venezuela have particular significance since that country has no balance of payment difficulties in purchasing from the dollar area.

In 1950 United States imports from Venezuela of crude petroleum and residual fuel oil amounted to \$288 million or about 90 percent of our total imports from Venezuela. It is estimated that the 1950 value of trade on which the United States granted improved customs treatment is about \$175 million, of which practically all was crude petroleum and residual fuel oil. New concessions of potential value to Venezuela consisted of the binding of existing duty-free entry for iron ore, deposits of which are now being developed.

The new agreement also amends and supplements some of the general provisions of the 1939 agreement. The principal changes are a substantial strengthening of the quota provisions so as to safeguard more adequately the value of the reciprocal tariff concessions, an additional reciprocal undertaking with regard to customs formalities, and the inclusion of the standard escape clause in event serious injury should be caused or threatened to domestic industry as a result of the agreement.

With regard to the concession on crude petroleum, topped crude and fuel oil derived from petroleum, it would have been possible under the authority of the Trade Agreements Act to reduce the excise tax provided for in Section 3422 of the Internal Revenue Code to 5¼¢ per barrel. The majority of the representatives of private business urged during the hearings held both by the Tariff Commission and by the Committee for Reciprocity Information that such a concession be made to Venezuela. I have agreed to a concession of 5¼¢ per barrel on imports of some of these kinds of petroleum products, namely, those which test

<sup>3</sup> Not printed here.



under 25 degrees A. P. I. A rate of 10½¢ per barrel, a treatment which was in effect from 1943 through 1950 under the Mexican Trade Agreement, is provided for under the new agreement for petroleum products testing 25 degrees or more A. P. I., which constitute the greater part of United States imports of crude oil. Experience during 1943-50 indicates that imports at 10½¢ will undoubtedly prove no deterrent to drilling and development programs now under way in the United States.

Most of the crude oil produced in the United States has a specific gravity of 25 degrees A. P. I. or higher. The national average is about 35 degrees A. P. I. For example, less than one percent of the crude oil produced in West Texas is below 25 degrees A. P. I. Most of the heavier crude oils in the United States are produced in the Rocky Mountain area, in California, and in some of the Gulf Coast area.

About one-third of the Venezuelan crude oil production has a gravity of less than 25 degrees A. P. I. Nearly all of the low-gravity oil is shipped to the refineries on the islands of Aruba and Curaçao.

Only the asphalt crudes, some of the topped crude, and the residual fuel oil will pay the lower excise tax. Generally, imports of these heavier crude oils sell in markets different from those in which domestic low-gravity oils sell. Furthermore, the lower gravity oils have a lower value in the market than the higher gravity petroleum products. It is believed appropriate, therefore, that these commodities of less worth should be dutiable at a lower specific rate and that the more valuable oils should pay a higher rate.

The imported oils which would pay the lower tax are among those which are in relatively short supply in the United States and generally throughout the world. It is not expected that the lower tax applicable to such oils will cause an undue increase in imports above the quantity which otherwise might be imported. It would appear, accordingly, that the lower tax on residual fuel oil would not serve to disturb the relationship which now exists in the United States between this fuel and other sources of heat and energy.

One major use of residual fuel oil is for ship bunkering; oil for this purpose traditionally has

been imported free into the United States. The residual fuel oil subject to import tax is utilized mainly in gas and electric power plants, in smelters, mines, and manufacturing industries, and, to a lesser degree, as heating oil in industrial plants. Most of these users are located along the east coast.

For the most part, these fuel-burning installations, particularly the power plants, are convertible, using either coal or residual fuel oil depending upon which is cheaper at a given time. In recent years coal has been cheaper. Coal is also more available, because residual fuel oil is in tight world supply, and because the percentage of residual fuel oil to total output of United States refineries is constantly decreasing as emphasis shifts to distilling larger amounts of the higher and more valuable fractions, such as gasoline. Therefore, the percentage of convertible plants using coal has increased steadily since 1949, until now most of the east coast power plants are using coal rather than residual fuel oil. The reduction in excise tax on residual fuel oil in the present agreement is not expected to be sufficient to change this long-term trend. In reviewing this situation in its peril point findings, the various Tariff Commission members, too, concluded that it offered no valid deterrent to a reduction in the import tax on petroleum.

The conclusion of the supplementary trade agreement is recognition by both the United States and Venezuela of a common interest in the expansion of trade. Venezuela is one of the largest markets for a wide range of United States export products. The United States provides an important and established market for Venezuelan oil, this representing, in turn, an essential supplement to domestic United States production. The United States will also provide a market for other Venezuelan natural resources, such as iron ore, which are needed in this country. The agreement, therefore, will be of economic benefit to both countries. It is, moreover, of vital security importance in view of the strategic nature of some of the products included within its terms.

HARRY S. TRUMAN

THE WHITE HOUSE,  
August 29, 1952

## U.S., U.K., and France Propose Conference on Austrian Treaty

Press release 701 dated September 5

*The United States on September 5 again demonstrated its eagerness to fulfill the promise of the Moscow Declaration of November 1, 1943, to restore to Austria her full freedom and independence. The latest proposal was made in a note delivered to the Soviet Ministry of Foreign Affairs by the American Embassy at Moscow. Similar notes were delivered by the British and French Embassies.*

*After 258 fruitless meetings on a 59-article draft treaty (the Soviet Deputy did not appear at what would have been the 259th session called for London in January of this year), the Western Powers proposed on March 13 a simple 8-article instrument to terminate the prolonged occupation of Austria.<sup>1</sup>*

*The Soviet Union replied to this proposal after 5 months and two reminders. In their reply<sup>2</sup> they objected to the new proposal saying that it failed to include certain points which they deemed essential to "the reestablishment of a free, independent and democratic Austria."*

*In their latest notes the Western Powers announce their acceptance of the Soviet suggestions by adding four previously agreed articles to the proposal of March 13 and invite the U.S.S.R. to a Deputies meeting in London September 29 to initial the short-form instrument as amended to meet the Soviet objections.*

### TEXT OF U.S. NOTE OF SEPTEMBER 5

The Government of the United States is pleased to receive the reply of the Soviet Government to its note of March 13, 1952 proposing to the Soviet Government a simple instrument which will give Austria full independence.

The Soviet Government's recent reply suggests the withdrawal of the proposal made on March 13, 1952. This suggestion is based on four objections, namely, that it fails to provide for free

elections as specified in Article 8 of the long draft of the State Treaty, that it fails to guarantee human rights and basic freedoms as specified in Article 7 of the long draft, that it fails to eliminate Nazism as specified in Article 9 of the long draft, and that it fails to provide for Austrian Armed Forces.

With reference to the first three of these points, it is the view of the Government of the United States that none of these provisions specified in the note of the Soviet Government are required in a simple instrument designed to terminate the prolonged occupation and to re-establish the independence of Austria. These points are all covered in the Austrian Constitution or in Austrian legislation now in force. Nonetheless, appreciating the careful consideration given by the U.S.S.R. during these past five months to the proposal of March 13, 1952, and anxious, as it has been since the Moscow Declaration of 1943, to restore to Austria full independence, the Government of the United States therefore proposes that there be added to its proposal of March 13, 1952 articles 7, 8, and 9 of the long draft as previously agreed upon by the four powers.

With reference to the Soviet Government's objections to the proposal of March 13, 1952 in that it passes over the right of Austria to have its own national armed forces necessary for the defense of the country, the Government of the United States considers that the right to maintain armed forces belongs inherently to a free and independent nation and should not have to be specifically granted to a nation never considered to have been an enemy. The Soviet Government, however, implies by its reference to the long draft of the State Treaty that it wishes to place limitations upon Austria's right to have national armed forces for its self-defense. While seeing no necessity thus to limit Austrian sovereign rights, the United States Government, in order to reach early agreement and to terminate the occupation, would accept, although reluctantly, the addition of Article 17 of the long draft to its proposal of March 13, 1952.

The Government of the United States therefore believes that the way is now clear for the conclusion of an Austrian settlement as it is prepared to

<sup>1</sup> BULLETIN of Mar. 24, 1952, p. 448.

<sup>2</sup> *Ibid.*, Sept. 1, 1952, p. 321.

accept the Soviet suggestions regarding the only points of objection to the proposal of March 13, 1952. The Government of the United States is accordingly prepared for a meeting of the Deputies with the object of initialling the proposal of March 13, 1952, amended as above in accordance with the suggestions outlined in the Soviet Government's note. Since the United States Deputy will be in the chair at the forthcoming meeting, he has requested the Secretary General to issue invitations for a meeting of the four Deputies in London on September 29, 1952.

#### **ADDITIONAL ARTICLES FOR AUSTRIAN TREATY**

*Following is the complete text of articles 7, 8, 9, and 17 of the old draft treaty with Austria which the United States, United Kingdom, and France have agreed to add to their short-form treaty proposal of March 13:*

##### **ARTICLE 7**

###### *Human Rights*

1. Austria shall take all measures necessary to secure to all persons under Austrian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

2. Austria further undertakes that the laws in force in Austria shall not, either in their content or in their application, discriminate or entail any discrimination between persons of Austrian nationality on the ground of their race, sex, language or religion, whether in reference to their persons, property, business, professional or financial interests, status, political or civil rights or any other matter.

##### **ARTICLE 8**

###### *Democratic Institutions*

Austria shall have a democratic government based on elections by secret ballot and shall guarantee to all citizens free, equal and universal suffrage and the right to be elected to public office without discrimination as to race, sex, language, religion or political opinion.

##### **ARTICLE 9**

###### *Disso'lution of Nazi Organizations*

Austria shall complete the measures, already begun by the enactment of appropriate legislation approved by the Allied Commission for Austria, to destroy the National Socialist Party and its affiliated and supervised organizations, including political, military and para-military organizations, on Austrian territory. Austria shall also continue the efforts to eliminate from Austrian political, economic and cultural life all traces of Nazism, to ensure that the above-mentioned organizations are not revived in any form, and to prevent all Nazi and militarist activity and propaganda in Austria.

##### **ARTICLE 17**

###### *Limitation of Austrian Armed Forces*

1. The maintenance of land and air armaments and fortifications shall be closely restricted to meeting tasks of an internal character and local defense of frontiers. In accordance with the foregoing Austria is authorized to have armed forces consisting of not more than:

(a) A land army, including frontier guards, anti-aircraft troops, gendarmerie and river gendarmerie with a total strength of 53,000;

(b) An air force of 90 aircraft including reserves, of which not more than 70 may be combat types of aircraft, with a total personnel strength of 5,000. Austria shall not possess aircraft designed primarily as bombers with internal bomb carrying facilities;

(c) These strengths shall in each case include combat, service and overhead personnel.

2. Austria undertakes not to reestablish any military installations or fortifications which were destroyed in accordance with the instructions of the Allied Commission for Austria.

3. The number and size of aerodromes should correspond strictly to the tasks of the Austrian air force and to the requirements of civil aviation in Austria.

## **Death of Count Sforza**

*Statement by Secretary Acheson*

Press release 697 dated September 4

It is with deep regret that I learn of the death of Count Carlo Sforza, a great statesman and a distinguished scholar, who served not only his country but Europe and the world in his long career as a diplomat and Minister for Foreign Affairs and who staunchly supported throughout his lifetime the principles of freedom and justice for which he worked untiringly. The last years of his life saw him working with unflagging energy for the good of his country and for the unification of the free peoples of Europe. He will be sorely missed by all who have had the privilege of working with him as I have, as well as by those everywhere who believe in the principles for which he fought.

## **Clarification of Joint U.S.-U.K. Message to Iran**

*Press Conference Statement by Secretary Acheson*

Press release 690 dated September 3

The joint message and proposals from President Truman and Prime Minister Churchill to Prime Minister Mossadegh on the oil situation<sup>1</sup> were, we believe, fair and reasonable and had no strings attached. It may be useful to clarify certain points which have been raised in the press.

There has been question raised regarding British recognition of the nationalization of the oil industry in Iran. The joint United States-United Kingdom proposals to Mr. Mossadegh accept the nationalization of the oil industry in Iran as a fact and propose a forum for the determination of compensation.

Another question concerns the part which the Anglo-Iranian Oil Company (AIOC) is to play in

<sup>1</sup> BULLETIN of Sept. 8, 1952, p. 360.

making arrangements for the flow of Iranian oil to world markets. In this connection I refer to the Nine-Point law implementing the nationalization of the Iranian oil industry. Article 7 of this law provides that purchasers of Iranian oil products during the 2 years immediately preceding the nationalization of the oil industry shall receive certain priority rights of purchase. The AIOC, as the principal former customer, would seem, therefore, to be the logical entity to open such negotiations with the Iranians. The joint message does not propose that the AIOC should be the sole purchaser of Iranian oil.

It is recognized that there must be a fair settlement of the claims and counterclaims arising from the nationalization of the oil industry in Iran. The Iranian Nine-Point Nationalization law accepts this principle in article 2 which takes cognizance of the fact that funds should be set aside "to secure" such claims.

What we are proposing is that the International Court of Justice, as an impartial body, be asked to consider all claims of both parties. We believe that this proposal should be acceptable to the Iranians, especially in view of the recent decision of the International Court of Justice<sup>2</sup> which was favorable to Iran.

There has been some question regarding the U.S. offer of a grant of 10 million dollars. I would like to point out that the purpose of this grant would be to provide Iran with funds for a short term to assist that nation financially until flow of Iranian oil to world markets could be resumed. The availability of oil revenue should not be long delayed in view of the proposal for the early sale of the oil already stored in Iran. The figure of 10 million dollars was based on such information as we had of current Iranian budgetary deficits.

I sincerely believe that the proposals meet the outstanding issues in the oil dispute and deserve careful consideration as a basis for negotiations to end the unhappy dispute between two good friends of the United States.

## Developments in Egypt

*Press Conference Statement by Secretary Acheson*

Press release 688 dated September 3

There have been some encouraging developments in Egypt since we last met together, including the reform program announced by the Egyptian Government. We are following events with much interest and we wish Prime Minister Ali Maher and his civilian and military colleagues every success in their efforts to solve the internal problems of their country.

<sup>2</sup> U.N. doc. S/2746.

Relations between the United States and Egypt remain most friendly and cooperative. I am hopeful that in the interest of our two countries these relations, as well as those between Egypt and all the nations of the free world, will be increased and strengthened. We look forward to an era in which new areas of cooperation and mutual benefit can be brought into being.

## The Mecca Airlift

*Press Conference Statement by Secretary Acheson*

Press release 689 dated September 3

The successful and speedy action in setting into motion the airlift which permitted pilgrims to reach Mecca who might otherwise not have been able to do so was, in large measure, due to the close cooperation and coordination between the Departments of State and Air Force.

This is illustrated by the events which led up to the airlift. On August 21, Harold B. Minor, U.S. Minister to Lebanon, was approached by the Lebanese Government. Mr. Minor immediately sent in a strong recommendation that the United States do the "impossible" by assisting in the problem of getting worshippers to Mecca in time for the annual pilgrimage.

On receipt of the night-action priority cable from Mr. Minor, the Department answered with a night-action priority cable requesting specific information regarding numbers of pilgrims, financial problems involved, and mechanical details, such as landing rights, security clearances, health certificates, visas, etc. On receipt of answers to these questions, the following afternoon, Assistant Secretary Byroade<sup>1</sup> telephoned Secretary of the Air Force Finletter, and arrangements for the airlift were set in motion. By 5:45 p. m. on August 22, MATS [Military Air Transport Service] had been instructed to provide available transportation from Andrews Field at Tripoli in Libya.

Successful implementation of the Mecca Airlift required the closest cooperation between Brig. Gen. Wentworth Goss of the Air Force, who directed operation "Pilgrim," and Minister Minor and their staffs.

Mr. Bruce,<sup>2</sup> with my hearty endorsement, has congratulated the Embassy at Beirut for its outstanding work and has sent a letter of commendation for the work of the Air Force to Secretary Lovett.

<sup>1</sup> Henry A. Byroade, Assistant Secretary for Near Eastern, South Asian and African Affairs.

<sup>2</sup> David Bruce, Under Secretary.

## Commission on Immigration and Naturalization Established

### STATEMENT BY THE PRESIDENT

White House press release dated September 4

I have today established a special Commission on Immigration and Naturalization to study and evaluate the immigration and naturalization policies of the United States.

Our immigration and naturalization policies are of major importance to our own security and to the defense of the free world. Immediately after the war ended, we recognized the plight of the displaced persons; we acted to cooperate with other nations and to admit a share of these victims of war and tyranny into our own country. The displaced-persons program has now been successfully concluded, but the free world faces equally grave and equally heart-rending problems in the continual stream of refugees and escapees from the Iron Curtain countries into Western Europe. These people add to the pressures of overpopulation in certain countries. Overseas migration from Europe has been dammed up by years of war and international economic disorder. While we have joined with other nations to meet such problems as these, our own immigration laws, based on conditions and assumptions that have long ceased to exist, present serious obstacles to reaching a satisfactory solution.

Humanitarian considerations, as well as the national interest, require that we reassess our immigration policies in the light of these facts. The United States must remain true to its great traditions and have an immigration policy that strengthens our Nation at home and furthers our world leadership.

The Eighty-second Congress devoted much time and effort to this problem, but the bill which it passed was so defective in many important provisions that I could not give it my approval. In my veto message,<sup>1</sup> I expressed the hope that the Congress would agree to a careful reexamination of the entire matter. I suggested that the Congress create a representative commission of outstanding Americans to make a study of the basic assumptions of our immigration policy, the quota

system and all that goes into it, the effect of our immigration and nationality laws, and the ways in which they can be brought into line with our national ideals and our foreign policy. The Congress did not act upon these suggestions.

I do not believe that the matter should remain where the Congress left it. The problems of immigration policy grow more pressing, and the inequities fostered by the new law require careful examination. I am, therefore, appointing this Commission in the belief that its recommendations will enable the next Congress to consider the subject promptly and intelligently. This Commission will have the benefit of much information already drawn together in the field of immigration, including that developed by the committees of Congress in their long study of the problem. It should therefore be in a position to complete its study before the reconvening of the next Congress.

I have directed the Commission to give particular consideration to:

(a) The requirements and administration of our immigration laws with respect to the admission, naturalization, and denaturalization of aliens, and their exclusion and deportation;

(b) The admission of immigrants into this country in the light of our present and prospective economic and social conditions and of other pertinent considerations; and

(c) The effect of our immigration laws and their administration, including the national-origin quota system, on the conduct of the foreign policies of the United States and the need for authority to meet emergency conditions such as the present overpopulation of parts of Western Europe and the serious refugee and escapee problems in such areas.

The members of the Commission are as follows:

Philip B. Perlman of Maryland, *Chairman*  
(Former Solicitor General of the United States; former City Solicitor of Baltimore, Secretary of the State of Maryland, Assistant Attorney General of Maryland)

Earl G. Harrison of Pennsylvania, *Vice Chairman*  
(Attorney, former U.S. Commissioner of Immigration and Naturalization; and former Dean of the Law School of the University of Pennsylvania)

<sup>1</sup> BULLETIN of July 14, 1952, p. 78.

Monsignor John O'Grady of Washington, D.C.  
(Secretary, National Conference of Catholic Charities)

Rev. Thaddeus F. Gullixson of Minnesota  
(President, Lutheran Theological Seminary of St. Paul, Minn.; Chairman, Minnesota State Displaced Persons Commission)

Clarence E. Pickett of Pennsylvania  
(Honorary Secretary, American Friends Service Committee)

Adrian S. Fisher of Tennessee  
(Legal Adviser to Department of State; former General Counsel of Atomic Energy Commission and Solicitor of the Department of Commerce)

Thomas C. Finneane of Maryland  
(Chairman, Board of Immigration Appeals, Department of Justice)

9 of the Act of March 4, 1909, 35 Stat. 1027 (31 U.S.C. 673), and (c) such other laws as the President may hereafter specify. The members of the Commission shall receive such compensation and expense allowances, payable out of the said allotment, as the President shall hereafter fix, except that no compensation shall be so fixed with respect to any person while receiving other compensation from the United States.

Sec. 6. The Commission shall make a final written report to the President not later than January 1, 1953, including its recommendations for legislative, administrative or other action. The Commission may also make such earlier reports to the President as it may deem appropriate. The Commission shall cease to exist 30 days after rendition of its final report to the President.

HARRY S. TRUMAN

THE WHITE HOUSE,  
September 4, 1952.

## EXECUTIVE ORDER 10392<sup>2</sup>

By virtue of the authority vested in me as President of the United States, it is hereby ordered as follows:

Sec. 1. There is hereby established in the Executive Office of the President a commission to be known as the President's Commission on Immigration and Naturalization, which shall be composed of a Chairman, a Vice Chairman, and five other members, all of whom shall be designated by the President.

Sec. 2. The Commission is authorized and directed to make a survey and evaluation of the immigration and naturalization policies of the United States, and shall make recommendations to the President for such legislative, administrative, or other action as in its opinion may be desirable in the interest of the economy, security, and responsibilities of this country. The Commission shall give particular consideration to:

- (a) the requirements and administration of our immigration laws with respect to the admission, naturalization denaturalization of aliens, and their exclusion and deportation;
- (b) the admission of immigrants into this country in the light of our present and prospective economic and social conditions and of other pertinent considerations; and
- (c) the effect of our immigration laws and their administration, including the national origin quota system, on the conduct of the foreign policies of the United States, and the need for authority to meet emergency conditions such as the present overpopulation of parts of Western Europe and the serious refugee and escapee problems in such areas.

Sec. 3. In performing its functions under this order, the Commission may prescribe such rules of procedure, and may hold such public hearings and hear such witnesses as it may deem appropriate.

Sec. 4. All executive departments and agencies of the Federal Government are authorized and directed to cooperate with the Commission in its work and to furnish the Commission such assistance, not inconsistent with law, as it may require in the performance of its functions.

Sec. 5. The expenditures of the Commission shall be paid out of an allotment made by the President from the appropriation entitled "Emergency Fund for the President—National Defense" in Title I of the Independent Offices Appropriation Act, 1953 (Public Law 455, 82nd Congress), approved July 5, 1952. Such payments shall be made without regard to the provisions of (a) section 3651 of the Revised Statutes (31 U.S.C. 672), (b) section

## Board of Clemency for Japanese War Criminals

Press release 696 dated September 4

President Truman on September 4, 1952, established a Board of Clemency and Parole for War Criminals to recommend to him the appropriate U.S. decisions on recommendations of the Japanese Government for clemency or parole for Japanese war criminals imprisoned in Japan.

Under article 11 of the peace treaty with Japan, it is provided that Japan accepts the judgments of the International Military Tribunal for the Far East and of other Allied war crimes courts and will carry out the sentences imposed by these courts upon Japanese nationals imprisoned in Japan. The Allied war crimes courts referred to include the courts set up by U.S. military commanders in the Far East. Under the terms of the treaty, the power to grant clemency, to reduce sentences, and to parole, with respect to the war criminals convicted by these courts, may not be exercised, except on the decision of the government which imposed the sentence. Hence a decision of the U.S. Government must be made on each recommendation of the Japanese Government for clemency or parole for a war criminal sentenced by a U.S. court.

The Board appointed by the President will also recommend the appropriate U.S. decision on Japanese recommendations for clemency and parole with respect to Japanese war criminals convicted by the International Military Tribunal for the Far East. In the case of these major war criminals, however, the ultimate decision will be made not by the United States alone but by a majority of the governments represented on the tribunal, which includes the United States.

It is considered of the greatest importance that these decisions be made on a judicial rather than

<sup>2</sup> 17 Fed. Reg. 8061.

on a political basis. To insure that each decision will be in accordance with law and justice and will rest on accepted principles of clemency and parole, the President will appoint three high-level officers—one from the Department of State, with knowledge of international law and treaty; one from the Department of Defense, with knowledge of the military court and the law and customs of war; and one from the Department of Justice, trained in the principles of sound penal practice.

The President's decision to appoint the Board of Clemency and Parole will enable the United States to establish a procedure for the handling of a number of recommendations made by the Japanese Government for the parole of individual Japanese war criminals. Of these, 429 out of a total of 819 imprisoned in Japan were sentenced by U.S. war crimes courts. The Japanese Government has recently indicated to the Department of State its desire that action be taken to establish parole procedures for these war criminals, similar to procedures in effect under the Supreme Commander for the Allied Powers when those prisoners who had served one-third of their sentences became eligible for parole. The purpose of the newly established Board is to handle the parole recommendations of the Japanese Government expeditiously and fairly, through careful review of each case.

Following is the text of the executive order establishing the Board:<sup>1</sup>

#### ESTABLISHMENT OF THE CLEMENCY AND PAROLE BOARD FOR WAR CRIMINALS

By virtue of the authority vested in me by the Constitution and the Statutes, and as President of the United States and as Commander in Chief of the Armed Forces of the United States, it is ordered as follows:

1. There is hereby established a Clemency and Parole Board for War Criminals (hereinafter referred to as the Board). The Board shall consist of three members, appointed by the President, one of whom shall be designated from the Department of State, one from the Department of Defense, and one from the Department of Justice. Each member shall designate an officer or employee of his department as an alternate member of the Board, who while participating as a member of the Board shall have the same status and functions as the member designating him.
2. The Board shall make the necessary investigations in, and advise the President with respect to, those cases in which a decision of the Government of the United States is required on recommendation by the Government of Japan for clemency, reduction of sentence, or parole, with respect to sentences imposed on Japanese war criminals by tribunals established by the Government of the United States or by the International Military Tribunal for the Far East. In making its investigations, the Board may examine witnesses and take testimony to the extent deemed necessary or advisable.
3. The Board shall determine its own procedure and shall act by majority vote. The member designated from the Department of State, or his alternate, shall serve as Chairman. The Board may prescribe rules and regula-

tions deemed necessary or desirable for carrying out the purposes of this Order.

4. Consonant with law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691), each member and alternate member of the Board shall receive from the department from which he is designated his compensation as an officer or employee of that department but shall receive no additional compensation by reason of service as a member or alternate member of the Board, and the Department of State shall furnish the Board necessary accommodations and facilities. So much of the other expenditures of the Board (including such travel expenses of, and other expense allowances for, members and alternate members of the Board as the President shall hereafter fix) as may be within the limits of an allotment to be made by the President from the appropriation entitled "Emergency Fund for the President—National Defense" in Title I of the Independent Offices Appropriation Act, 1953 (Public Law 455, 82nd Congress, approved July 5, 1952), shall be paid from the said allotment. Payments from such allotment shall be made without regard to provisions of (a) section 3681 of the Revised Statutes (31 U.S.C. 672), (b) section 9 of the Act of March 4, 1909, 35 Stat. 1027 (31 U.S.C. 673), and (c) such other laws as the President may hereafter specify.

HARRY S. TRUMAN

THE WHITE HOUSE,  
September 4, 1952.

## New System for Transshipment of Strategic Goods

The new system for preventing the transshipment of strategic goods, developed and put into partial operation earlier this year in cooperation with 10 Western European countries, will go into full effect on October 20, 1952, the Office of International Trade (Orr), U.S. Department of Commerce, announced on September 2.

The nations cooperating with the United States in carrying out the new system, known as the import certification-delivery verification (Icdv) procedure, are Belgium, Denmark, France, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom, and Western Germany.

Temporarily, Orr has been permitting U.S. exporters to follow either the Icdv procedure or the "ultimate consignee statement" procedure, to give both the exporters and their foreign customers sufficient time to prepare for the change-over.

Under the Icdv procedure, the foreign importer certifies to his government that U.S. strategic goods will not be re-exported without official authorization. Under the ultimate consignee statement procedure, the importer states to the U.S. exporter that the goods will be used in his country, and he does not make an official certification to his government.

Orr now believes it is feasible to require full compliance with the Icdv procedure and to obtain the added protection it affords against transshipment of strategic goods.

When the Icdv procedure goes into effect in October, it will be mandatory for U.S. exporters to obtain "import certificates" from their custom-

<sup>1</sup> No. 10393, 17 Fed. Reg. 8061.

ers in the cooperating Western European countries if they wish to send them certain strategic goods. The original of the import certificate, witnessed by the foreign customer's government, must be sent to OIR by the U.S. exporter when he applies for a license to export the goods.

The commodities to which this procedure applies are identified by the letter "A" in OIR's "Positive List" of commodities under export control. OIR pointed out, however, that no import certificate is required in connection with export license applications covering less than 500 dollars' worth of such goods.

The import certificate will be accepted by OIR whether it is issued in the name of the foreign purchaser, ultimate consignee, or his agent, provided the person is named also on the U.S. exporter's license application. Previously, OIR accepted only import certificates issued to the ultimate consignee or end-user.

OIR emphasized that photocopies of import licenses or permits may not be submitted in lieu of import certificates. Import licenses and permits are currency control documents, while "import certificates" are designed to prevent unauthorized transshipment.

OIR exporters may request exceptions to the Icdv procedure if their foreign importers are unable to obtain the required import certificates, but OIR will consider granting such requests only if an exception would not be detrimental to the U.S. export control program. Export license applicants who request exceptions are required to submit, in lieu of an import certificate, the regular ultimate consignee statement, signed by the foreign customer, declaring the destination and end-use of the goods.

Other changes, designed to assure proper administration, are being made in the Icdv procedure, to provide for the return of unused or partially used import certificates to foreign importers.<sup>1</sup>

## Current Legislation on Foreign Policy

International Convention for the High Seas Fisheries of the North Pacific Ocean With a Protocol Relating Thereto. Message From the President of the United States Transmitting an International Convention for the High Seas Fisheries of the North Pacific Ocean, Together With a Protocol Relating Thereto, Signed at Tokyo, May 9, 1952, on Behalf of the United States, Canada, Japan. S. exec. S, 82d Cong., 2d sess. 15 pp.

Approving the Constitution of the Commonwealth of Puerto Rico. S. rept. 1720, 82d Cong., 2d sess. [To accompany S. J. Res. 151] 30 pp.

<sup>1</sup> The regulation setting forth the Icdv procedure, as revised, will be published in OIR's *Current Export Bulletin*, no. 678.

Authorizing the Loan of Two Submarines to the Government of the Netherlands. S. rept. 1751, 82d Cong., 2d sess. [To accompany S. 3337] 3 pp.

An Act To amend section 32 (a) (2) of the Trading With the Enemy Act. Pub. Law 378, 82d Cong., Chapter 372, 2d sess., S. 302. 1 p.

An Act To provide that the additional tax imposed by section 2470 (a) (2) of the Internal Revenue Code shall not apply in respect of coconut oil produced in, or produced from materials grown in, the Territory of the Pacific Islands. Pub. Law 391, 82d Cong., Chapter 420, 2d sess., H. R. 7188. 1 p.

Annual Report of the Governor of the Panama Canal for the Fiscal Year 1951. H. doc. 290, 82d Cong., 2d sess. 142 pp.

Emergency Powers Continuation Act. S. rept. 1744, 82d Cong., 2d sess. [To accompany S. J. Res. 165] 46 pp.

Requesting the Secretary of the Army To Furnish to the House of Representatives Full and Complete Information With Respect to Insurgency in Prisoner-of-War Camps in Korea and Communist-Inspired Disturbances of the Peace in Japan. H. rept. 2128, 82d Cong., 2d sess. [To accompany H. Res. 661] 13 pp.

Claim of the Cuban-American Sugar Co. Against the United States—Veto Message. Message From the President of the United States Returning Without Approval the Bill (S. 2696) Entitled "An Act Conferring Jurisdiction Upon the Court of Claims of the United States To Consider and Render Judgment on the Claim of the Cuban-American Sugar Company Against the United States." S. doc. 158, 82d Cong., 2d sess. 4 pp.

Institute of Pacific Relations. Hearings Before the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary, United States Senate, Eighty-Second Congress, Second Session on the Institute of Pacific Relations. Part 8, January 29, February 6, 8, 11, 12, 14, 15, 18, 19, 20, and 21, 1952. Committee print. 421 pp.; Part 9, February 26, 27, 28, 29, March 1, and 3, 1952. Committee print. 378 pp.; Part 10, March 4, 5, 6, 7, 10, 14, and 21, 1952. Committee print. 437 pp.

Thirty-Third Report to Congress on Lend-Lease Operations. Message From the President of the United States Transmitting the Thirty-Third Report to Congress on Lend-Lease Operations, for the Period Ending December 31, 1951. H. doc. 465, 82d Cong., 2d sess. 51 pp.

Summary of the Legislative Record Eighty-Second Congress. Statement by the Hon. Ernest W. McFarland, U.S. Senator from Arizona. A. Digest of Major Legislation, Second Session (From January 8, 1952, to July 7, 1952); B. Digest of Major Legislation, First Session (From January 3, 1951, to October 20, 1951). S. doc. 165, 82d Cong., 2d sess. 155 pp.

Commercial Treaties. Hearing Before a Subcommittee of the Committee on Foreign Relations, United States Senate, Eighty-Second Congress, Second Session, on Treaties of Friendship, Commerce, and Navigation Between the United States and Colombia, Israel, Ethiopia, Italy, Denmark, and Greece. Executives M and R, Eighty-Second Congress, First Session, and Executives F, H, I, and J, Eighty-Second Congress, Second Session. Committee print. 42 pp.

The Midyear Economic Report of the President Transmitted to the Congress July 1952 Together With a Report to the President, The Midyear 1952 Economic Review by the Council of Economic Advisers. H. doc. 489, 82d Cong., 2d sess. 188 pp.

Methods of Communist Infiltration in the United States Government. Hearing Before the Committee on Un-American Activities, House of Representatives, Eighty-Second Congress, Second Session, May 6; June 10 and 23, 1952. Committee print. 107 pp.



## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### U.S. Reaffirms Support of U.N. Collective Security System

*Statement by Ambassador Warren R. Austin  
U. S. Representative to the United Nations*

U.S./U.N. press release dated August 29

As the representative of the United States to the United Nations, I have transmitted my Government's response to the Collective Measures Committee's letter of June 24, 1952.<sup>1</sup> Our response reaffirms U.S. support of the objective of strengthening the U.N. collective security system. We are convinced that the United Nations must have at its disposal the means to maintain international peace. Those means will be made available only if countries believe in collective security and are willing and prepared to contribute to collective action in accordance with the U.N. Charter. As my Government in its response points out, the development of collective security through the United Nations is a cooperative enterprise extending over the years and requiring the support of the international community. It cannot be built in a day but must be developed progressively and vigorously.

The United States has devoted itself to this great task by joining with many other countries in strength-building programs designed to support and reinforce the U.N. capacities to maintain international peace and security. Our letter to the Collective Measures Committee points out that we are contributing to U.N. action to repel aggression and to restore peace in Korea. We intend to help the United Nations see the job through in Korea because success there will be a powerful stimulant to greater progress in building an effective U.N. security system. Korea proves our will to work and if necessary to fight for peace. Those who made the tragic miscalculation in Korea should not forget the terrible price they have already paid

for underestimating the determination of free peoples.

Our letter points out that we are also making significant contributions to the North Atlantic Treaty Organization in order to buttress, within an important area, the U.N. capacities for maintaining international peace and security.

These and our other efforts are encouraging first steps in the direction of a collective security system aimed to protect all nations from aggression. Difficulties confront this great project, yet we have the faith and courage to persevere and to achieve the structure of security. I am confident that we, joined with other free peoples, will succeed in establishing effective collective measures for the suppression and prevention of aggression.

#### *Text of U.S. Response*

The Representative of the United States to the United Nations presents his compliments to the Secretary-General of the United Nations and has the honor to refer to the Acting Secretary-General's communication of June 24, 1952, transmitted on behalf of the Collective Measures Committee. Reference was made in this communication to the provisions of the General Assembly Resolution 503A (VI) of January 12, 1952<sup>2</sup> containing recommendations to Member States that they take certain national action to increase their general capacity to participate in United Nations collective measures.

There is enclosed a memorandum constituting the response of the United States to the request of the Collective Measures Committee for the views

<sup>1</sup> CMC 4/52.

<sup>2</sup> Resolutions adopted by the General Assembly during its Sixth Session, 6 November 1951 to 5 February 1952, p. 2.

of Member States on the questions raised in the Acting Secretary General's communication.

[Enclosure]

**UNITED STATES RESPONSE  
TO THE COLLECTIVE MEASURES COMMITTEE  
LETTER  
REGARDING IMPLEMENTATION  
OF GENERAL ASSEMBLY RESOLUTION 503A (VI)**

**1. General Observations**

The United States was one of the sponsors of the Uniting for Peace Resolution (377A (V)) adopted by the General Assembly on November 3, 1950 and of the related resolution (503A (VI)). It is also a member of the Collective Measures Committee and participated in the preparation of the first report of that Committee. Accordingly, the United States desires in every way possible to further the recommendations contained in these resolutions which are designed to carry out the purposes and principles of the United Nations Charter. The resolutions deal specifically with collective security and seek the fulfillment of the purpose contained in Article 1, "to maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, or for the suppression of acts of aggression or other breaches of the peace. . . ."

The policy of the United States in this field has recently been expressed by the President in his report to the Congress on United States participation in the United Nations. The President said: "We are working to strengthen the United Nations by building up a security system in accordance with the purposes of the Charter that will protect the community of nations against aggression from any source".

In addition to providing the Collective Measures Committee with information regarding the recommendations of General Assembly resolution 503A (VI), the United States wishes to take this opportunity to reaffirm its appreciation of the responsibilities entailed in building a stronger United Nations collective security system. The development of collective security through the United Nations is a cooperative enterprise extending over the years and requiring the support of the international community.

**2. Maintenance of Forces for United Nations Service**

With respect to the recommendation contained in operative paragraph 2 of General Assembly resolution 503A (VI), the United States refers to its letter of June 8, 1951 in which it informed the Collective Measures Committee of the measures taken by the United States in implementation of paragraph 8 of the Uniting for Peace resolution. This letter pointed out that the elements of the national armed forces of the United States serving under the Unified Command in Korea were made available in fulfillment of the purposes of the recommendations of the General Assembly in the Uniting for Peace resolution. The letter stated that after termination of hostilities in Korea, the United States would review the extent to which it will maintain armed forces which could be made available for United Nations service in accordance with that recommendation. Forces of the United States are continuing their operations on behalf of the United Nations in Korea. Accordingly, the United States reaffirms its intention to review the situation after termination of the hostilities in Korea and after the United States forces there have been withdrawn.

The letter of June 8, 1951 also informed the Committee that the United States was maintaining elements of its forces in Europe in furtherance of the North Atlantic Treaty and as a part of the efforts of the parties to the Treaty for collective defense and for the preservation of peace and security. The letter pointed out that the North Atlantic Treaty comes within the framework of the Charter of the United Nations and that United States forces maintained in furtherance of the Treaty could in appropriate circumstances pursuant to the Treaty and the

Charter and in accordance with our constitutional processes participate in collective military measures to maintain or restore peace and security in the North Atlantic Treaty area in support of United Nations action. The United States takes this opportunity to reaffirm its statement regarding the maintenance of these forces in Europe as set forth in the letter of June 8, 1951.

The United States also reaffirms its intention to keep this subject under constant review in furtherance of the policy of the United Nations to build up an effective collective security program.

**3. Assistance and Facilities**

In the United Nations collective action opposing aggression in Korea, the United States has furnished and is furnishing a wide range of assistance and facilities to the United Nations forces. Such assistance and facilities include all the types listed in Annex II of the Acting Secretary General's letter of June 24. They include also the use by United Nations Members of certain United States military and naval bases in the Pacific and training bases and facilities within the continental limits of the United States. As demonstrated by the foregoing, the legislative and administrative arrangements of the United States are such that by appropriate governmental action in accordance with its constitutional processes this Government can promptly make available assistance and facilities in appropriate circumstances.

**4. Legislative and Administrative Arrangements**

The United States has examined its existing legislation with a view to determining in the light thereof the appropriate steps for carrying out promptly and effectively United Nations collective measures in accordance with its constitutional processes. The United States has also examined the list attached as Annex III to the Acting Secretary-General's letter of June 24 relating to economic and financial measures against an aggressor which might be called for by the United Nations.

In respect to the list of economic and financial measures against an aggressor, the United States has for some time applied and is at present applying most of these measures against the aggressors in Korea. The United States is in a position to participate in the application of all such economic and financial measures and controls undertaken by the Security Council or by the General Assembly.

As indicated in the previous paragraphs, the legislative and administrative arrangements of the United States are such that this Government by appropriate governmental action in accordance with its constitutional processes can participate in United Nations collective measures in appropriate circumstances.

The United States will continue to keep these questions under review in furtherance of the policies expressed in the Uniting for Peace resolution, the Report of the Collective Measures Committee, and resolution 503A (VI) adopted by the General Assembly on January 12, 1952.

## **U.S. Opposed to Soviet Proposal on U.N. Admissions**

*Statement by Ambassador Warren R. Austin<sup>1</sup>*

The Soviet draft resolution<sup>2</sup> shows clearly on its face the theory that a certain group of applicants for admission selected by the Soviet Union should be "simultaneously" recommended for ad-

<sup>1</sup>Made in the Security Council on Sept. 3 and released to the press by the U.S. Mission to the U.N. on the same date. Ambassador Austin is U.S. representative to the United Nations.

<sup>2</sup>U.N. doc. S/2664.

mission. Repeatedly the Soviet representative has referred to this group as "all the fourteen states." Yet as the members of the Security Council are aware, there are considerably more than 14 applications before us.

The United States cannot accept this Soviet draft resolution as in accordance with the Charter and with the first paragraph of rule 60 of the Security Council's Rules of Procedure. The United States believes that each applicant for membership is entitled to separate consideration of its application tested by the criteria contained in article 4 of the Charter. There are certain applicants contained in the Soviet omnibus resolution which my Government deems are not qualified for membership. There are others which in the judgment of my Government have the strongest claim for membership and which are needed by the organization. There are still others such as the Republic of Korea, to mention one example, which the Soviet Union does not include in the group it has selected. We are opposed to adoption of a draft resolution simultaneously recommending such a group of applicants, some with sound and some with unsound qualifications for membership.

Specifically, the United States has confidence that Austria, Ceylon, Finland, Ireland, Italy, Jordan, Libya, Nepal, and Portugal are fully qualified and should be admitted to membership.

On the other hand, we have serious objections based on our considered judgment that the following candidates do not fulfill the conditions required by article 4 of the Charter: Albania, Bulgaria, Hungary, Outer Mongolia, and Rumania. In connection with Outer Mongolia we continue to see no facts in the record of the Security Council that would lead us to the conclusion that Outer Mongolia is a state.

The representative of the Soviet Union has come forward with some evidence which he thinks bears on the candidacies of Albania, Bulgaria, Hungary, and Rumania. There are facts with which we are prepared to come forward on the question of the lack of fitness of these candidates for membership. We are prepared to discuss these, as all candidacies, separately and on their merits and have the Council weigh the evidence and reach its decision accordingly.

With an adequate majority of the present members of the United Nations, the United States has long hoped for the admission of Austria, Ceylon, Finland, Ireland, Italy, Jordan, Libya, Nepal, and Portugal. Thus we have our own opinion, and we have expressed it, on whether or not each applicant for membership meets the requirements of the Charter.

We respect the views of the majority of the Security Council and of the General Assembly. There has been no instance in which a resolution dealing with the question of membership, or with any other question, has failed of adoption in the Security Council because of the negative vote of

the United States. In other words, the United States has never vetoed a draft resolution of the Security Council. Of course, we have voted against membership applications which we felt did not measure up to the requirements of the Charter, but in no instance have these applications received seven affirmative votes, with a result that the U.S. vote alone prevented a recommendation by the Council.

The argument that any negative vote of a permanent member of the Security Council is a "veto" is simply to play on words. A negative vote becomes a veto only when it thwarts the will of the majority. That is what the Soviet Union has done repeatedly. It has vetoed and thereby thwarted the majority will on membership 23 times. To take one example, the application of Italy, this has been before the Security Council on five separate occasions. On five separate occasions the Soviet Union has prevented a favorable recommendation of Italy by casting a negative vote. In December of 1951, the vote in the Security Council was 10 in favor, the Soviet Union opposed.

We deplore this Soviet policy of using its negative vote in the Security Council to frustrate action by the Security Council. The Soviet representative tells us, in effect, that it is he alone who determines what is legal and illegal under the Charter and that the question of membership can only be settled on his terms. Yesterday he brandished the veto over the heads of this Council to try to force the majority to submit to his views.

The United States is willing to have the majority of the Security Council decide these questions. It desires to have an opportunity to put its view before this Council, but it does not insist that its view must prevail.

Nor do we threaten the Security Council that if it does not accept our view no decision is possible. We do not claim, as our Soviet colleague, that any and every decision the United States does not support is "not worth a cent wholesale or retail." The United States is a member of the United Nations and believes that U.N. organs are competent to reach decisions in situations where members differ. We do not feel scorn, hatred, or rage at others because they disagree with the considered view of the majority. We approach these problems in the United Nations with a constructive, not a destructive spirit. We do not use important matters such as membership merely to vilify the character of other governments.

At a later stage in our discussion under item C of the agenda I shall have something to say about the so-called new applications for membership, and in that connection I shall then speak of the U.S. draft resolution in support of Japan's just claim to sit among us. However, there is one applicant for membership not included in the list contained in the Soviet resolution which has a peculiarly close connection with the United Nations. I refer, of course, to the Republic of Korea,

where U.N. Forces have been freeing the Republic of Korea from invasion since June of 1950 in the face of aggression which is supported by the very state which would exclude it from the United Nations. The United States will not forget the just claim of the Republic of Korea for membership in this organization.

Finally, the United States has no ultimatum to present to the Security Council such as: solve the membership question this way or it can never

be solved. Our position, as we have said before, is that there is never a last word or a final chapter in the work of a living organization capable of growth and changed circumstances. We shall continue to seek a way by which the states conforming to the requirements of the Charter, in the opinion of the appropriate organs, can be invited to come in and join us.

For these reasons the United States will not support the Soviet draft resolution.<sup>3</sup>

## Prisoners of War Commission Opens Third Session

### MRS. ANDERSON DESIGNATED U.S. REPRESENTATIVE

Press release 661 dated August 25

American Ambassador to Denmark, Eugenie Anderson, has been designated by the President to serve as the U.S. representative at the third session of the U.N. *Ad Hoc* Commission on Prisoners of War, which opened on August 25 at Geneva.

The *Ad Hoc* Commission was established by a resolution of December 14, 1950, of the U.N. General Assembly. It was directed to investigate the situation of World War II prisoners of war who are still in custody, and about whom no information has been received, and to take whatever steps may be possible to facilitate their repatriation. Its members, who were appointed by the Secretary-General of the United Nations, are Chairman José Gustavo Guerrero of El Salvador, vice president of the International Court of Justice; Judge Aung Khine of the High Court, Rangoon, Burma; and Countess Bernadotte of Sweden.

While the first session of the *Ad Hoc* Commission, held at New York from July 30 to August 15, 1951, was closed, 11 governments were invited to send representatives to the second session, held at Geneva from January 22 to February 8, 1952, to collaborate with the Commission. The same 11 governments have been invited to send representatives to consult with the Commission in connection with its examination and evaluation of information furnished by governments regarding the prisoner-of-war problem and of the further steps to be taken by the Commission in the light of that information. The Governments invited are Australia, Belgium, France, the Federal Republic of Germany, Italy, Japan, Luxembourg, the Nether-

lands, the Union of Soviet Socialist Republics, the United Kingdom, and the United States.

Donald C. Blaisdell, U.S. representative for International Organization Affairs, Geneva, has been designated deputy U.S. representative to the third session. Henry B. Cox, Office of German Public Affairs, has been named adviser to the U.S. representatives.

*Printed below is the text of a statement made by Ambassador Eugenie Anderson following her designation by the President to represent the United States at the third session of the Prisoners of War Commission:*

Press release 666 dated August 25

I have been greatly honored by President Truman's request that I represent the United States at the third meeting of the United Nations *Ad Hoc* Commission on Prisoners of War. The great tragedy that necessitates our meeting here to make yet another attempt to secure the release of hundreds of thousands of prisoners of war still held 7 years after the end of hostilities has moved me deeply. I feel the impact of this tragedy not only as an American to whom freedom and humanitarian treatment for all is as essential as life itself but also as a person who places the highest value on family life and who can understand what untold hardships and sorrows countless families with missing members are still suffering.

I sincerely hope that the Commission will be successful in bringing about the release of these prisoners and obtaining an accounting for all the missing. When this issue was placed before the

<sup>3</sup> The Soviet proposal was rejected by the Security Council on Sept. 8 by a vote of 5 against, 2 in favor, and 4 abstentions.

United Nations, it was thought that the United Nations, whose deep and unavoidable responsibility for human rights made it the appropriate body to undertake this task, could assist in resolving the controversy. We still have this hope. The Soviet Union, which is still holding hundreds of thousands of these prisoners, has a unique opportunity to show that it values human freedom. I earnestly hope that the Soviet Union will associate itself with the task of the Commission and cooperate with it to bring its work to a successful conclusion.

#### OPENING STATEMENT BY MRS. ANDERSON<sup>1</sup>

I should like first of all to express to the U.N. *Ad Hoc* Commission on Prisoners of War the appreciation of the Government of the United States for the invitation to participate with other interested governments in the Commission's third session here at Geneva. The President of the United States has honored me by naming me as the U.S. representative to this conference. On his behalf and on behalf of the American people, who have demonstrated an abiding interest in the tragic problem which brings us here, I can assure you of our continued support and sympathy.

The significance in human terms of the task which faces this Commission—that of determining the fate of hundreds of thousands of human beings who have disappeared since the end of World War II—can hardly be comprehended from the statistics which have been presented in this and previous sessions. It is shocking enough to realize that we are concerned here with more than a million German, Japanese, Italian, and other prisoners of war, to say nothing of the thousands of deported civilians who have also been deprived of their freedom.

It is even more shocking and tragic, however, when we translate these statistics into human anguish, grief, and anxiety. The absence of all these individuals—men, women, and children—has meant, and means this very day, intense personal suffering to them and to their next of kin. The families of these people live from day to day in the hope of learning whether their loved ones are dead or alive. The news that a few stragglers are returning sends relatives rushing to the railroad stations. More often than not their hopes are dashed when familiar faces fail to appear. Often they are almost afraid to hope—but they continue to hope.

Thus, the tragedy of the missing goes far beyond their own fate and is multiplied thousands of times. In many cases news of any kind would be welcome—even if such news confirmed the death

of a loved one. For then, the terrible uncertainty of not knowing would be relieved. But not to know—herein is perhaps the greatest anguish. And it is with this tragic experience that we are attempting to cope in this meeting.

My Government has for many years endeavored to find a solution to this problem. The history of our efforts and those of our British, French, and Australian colleagues is well known to this Commission. Shortly after the cessation of World War II hostilities, the United States, together with the Governments of France and the United Kingdom, began a series of direct negotiations with the Soviet Union in an attempt to secure the prompt repatriation of all prisoners of war held by that country and as complete an accounting as possible of those who had died in the course of the war. Our repeated approaches, however, met with callous rejection and we were unable to elicit the slightest cooperation from the Soviet Government. Having apparently exhausted all possibilities of a solution through direct channels, the Governments of the United States, the United Kingdom, and Australia introduced a resolution in the General Assembly of the United Nations in the fall of 1950 which resulted in the creation of this Commission.

At its first session in the summer of 1951, the Commission decided to invite a number of governments, most directly concerned with the prisoner of war problem, to send representatives to consult with it at its second session. This session, which convened at Geneva on January 22 of this year, was attended by representatives of all the principal governments concerned, with the notable exception of the Soviet Union. Prominent among those in attendance were the representatives of Japan, Italy, and the Federal Republic of Germany, whose nationals comprise the bulk of the missing and unaccounted for. Despite the failure of the Soviet Government to cooperate in the work of the Commission, the Commission faithfully went about its task of consulting with the representatives present, holding private and public hearings, and examining and evaluating the great volume of evidence presented to it.

We have now come to this third session of the Commission to assist in the furtherance of this effort to ascertain the facts and seek a speedy solution to the problem. Again—and I note this with great regret—the Soviet Union, the one nation which holds the key to this problem, has failed to accept the invitation of the Commission to participate.

I think it is abundantly clear to all of us that without the indispensable cooperation of the Soviet Union, the efforts of this Commission and of the other interested nations to obtain the repatriation of and accounting for these missing hundreds of thousands of human beings can meet with but limited success. It is indeed ironic that a nation which participated in the founding of the

<sup>1</sup>Made before the third session of the U.N. *Ad Hoc* Commission on Prisoners of War at Geneva, on Aug. 27 and released to the press (No. 672) on the same date.

United Nations to preserve peace and foster international good will should refuse its cooperation in a matter which has such serious human and international implications.

It can hardly be alleged by any fair-minded person that this Commission is unreasonable in its inquiries. The questions for which it seeks answers here from the Soviet Union are simple and direct. They are these: What has happened to these missing men, women, and children? How many of them have died? How many are still being held prisoners? Where are they being held? Under what conditions do they exist, if at all? What are their names? When will they be released? Not only are the nations most directly concerned awaiting a satisfactory Soviet reply to these questions—decent people throughout the world are awaiting the answers to these queries. This is not a political problem. It is not merely a legal problem. This is not an abstract, theoretical matter. It is a terribly human problem—a problem of human freedom. It is almost inconceivable that in the twentieth century one of the leading nations of the world could be so indifferent to its international obligations and so scornful of human rights.

My appeal today is therefore twofold. I appeal to you members of the U.N. *Ad Hoc* Commission on Prisoners of War to leave nothing undone, to leave no approach untried which might bring about the repatriation of and accounting for these prisoners. That is the task which you have set for yourselves and which you have thus far pursued so conscientiously. I urge you to continue to pursue it as long as the slightest hope remains. Thousands of bereaved families have placed their cause in your hands. We dare not slacken our efforts until we have found a satisfactory solution.

Secondly, I appeal to the Government of the Soviet Union. I appeal to that Government from a purely humanitarian point of view. I urge it to seize this unique opportunity to redeem itself in the eyes of world opinion. I urge the Soviet Union to act promptly to bring to an end the intense suffering of literally hundreds of thousands of individuals by joining and facilitating the work of this Commission. I urge it immediately to release and account for all prisoners taken into its custody during World War II.

In making this appeal, I am keenly aware of its implications.

Even as I voice it, I recognize that its fulfillment would be a tremendous advance toward those goals to which all of us, including the Soviet Union, did subscribe in the preamble to the Charter of the United Nations:

... to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small.

## U.S. Delegations to International Conferences

### Study Group on Broadcasting (ITU)

On August 27 the Department of State announced that the U.S. delegation to a meeting of Study Group X (Broadcasting) of the International Radio Consultative Committee (CCIR) of the International Telecommunication Union (ITU), which is meeting at Geneva from August 26 to September 5, 1952, is as follows:

#### Chairman

K. Neal McNaughten, Director of Engineering, National Association of Radio and Television Broadcasters, Washington, D.C.

#### Advisers

Eric Klapper, Frequency Utilization Research Section, Central Radio Propagation Laboratory, National Bureau of Standards, Department of Commerce  
Wayne Mason, Telecommunications Attaché, United States Legation, Bern

Mr. McNaughten, who was also a member of the U.S. delegation to the sixth plenary assembly of the CCIR, held at Geneva in 1951, is International Chairman of this Study Group which has been continued at least until the seventh plenary assembly, scheduled to be held in England during the fall of 1953.

In considering the reports on the work of the Study Group on Broadcasting and in assessing the studies which needed completion as early as possible, the sixth plenary assembly of the CCIR recommended that certain questions regarding broadcast-recording standards be resolved. Accordingly, at the forthcoming Study Group meeting, specialists in broadcasting will discuss and attempt to develop standards of disc and tape recordings for the international exchange of programs. In addition, the Study Group will review its entire work program, including single side-band broadcasting and related issues.

The CCIR is one of the I.T.U.'s three international consultative committees (radio, telegraph, and telephone), which were established to study technical operating questions in the field of telecommunication and to make recommendations thereon to the Plenipotentiary Conference of the I.T.U.

### International Geological Congress

On September 4 the Department of State announced that the U.S. Government will be represented at the Nineteenth International Geological Congress, to be held at Algiers from September 8 to 15, 1952, by the following delegation:

#### Delegates

William E. Wrather, *Chairman*, Director, Geological Survey, Department of the Interior

- Finn E. Bronner, Corps of Engineers, Department of the Army
- Walter H. Bucher, Professor and Chairman, Department of Geology, Columbia University, New York, N. Y.; President, American Geophysical Union
- A. F. Buddington, Professor of Geology, Princeton University, Princeton, N. J.
- Edward B. Burwell, Corps of Engineers, Department of the Army
- Donald Miner Davidson, Vice President, Chief Geologist, and Manager of Exploration, E. J. Longyear Company, Minneapolis, Minn.
- H. G. Ferguson, Geologist, Geological Survey, Department of the Interior
- W. D. Johnston, Jr., Geologist, Geological Survey, Department of the Interior
- T. S. Lovering, Staff Research Geologist, Geological Survey, Department of the Interior; President, Geological Society of America
- Raymond C. Moore, Professor of Geology and State Geologist, University of Kansas, Lawrence, Kans.; Visiting Professor, University of Utrecht, Netherlands
- W. P. Woodring, Geologist, Geological Survey, Department of the Interior; President-elect, Geological Society of America

The International Geological Congress was founded at Buffalo, N.Y., in 1876, to fix the rules concerning map construction, nomenclature, and geological classification and to promote the study of the earth from both the theoretical and practical points of view. The United States, which has a traditional interest in geology, was host to the Fifth Congress in 1891 and to the Sixteenth in 1933. Delegations from 75 countries and territories participated in the Eighteenth Congress, which was held at London in 1948.

A main topic selected for attention at the forthcoming session is the state of the world's iron-ore resources; this subject is of real concern to the United States, as pointed out in the recent report of the President's Materials Policy Commission.<sup>1</sup> Delegates will also hear reports from the bureau, which carries on the business of the Congress between sessions, and from international commissions which have been working in various fields of geology since the last Congress. Traditional with the Congress are excursions in the country in which a session is held, and an opportunity will therefore be given, as part of the Congress program, for delegates to participate in geological field trips in Algeria.

<sup>1</sup> For digest of vol. I, see BULLETIN of July 14, 1952, p. 55.

### The U. S. in the U. N.

A weekly feature, does not appear in this issue.

## THE DEPARTMENT

### New Passport Regulations Issued

Press release 686 dated September 2

The Department of State on September 2 made public certain new regulations pertaining to the issuance of U.S. passports. The regulations cover those cases which involve questions of possible subversive activities on the part of the applicant.

These regulations are designed (1) to provide for more formalized procedures within the Passport Division in cases where there is a question as to whether or not an applicant's request for a passport should be granted, and (2) to provide an applicant whose request for a passport is denied with the opportunity to appeal the adverse decision before a newly created Passport Appeals Board. At the same time, the revised regulations specify standards under which the decision to deny an application for a passport will be made.

Under the revised procedures, when derogatory information exists which, unless clarified, would result in the denial of a passport, an applicant will be notified of this fact in writing. He will also be notified:

- of the reasons, as specifically as security regulations permit, upon which the tentative decision to deny the passport has been made;
- of his right to discuss his application in a hearing with the Passport Division;
- of his right to be represented by Counsel at this hearing, and to present additional evidence.

If the decision is unfavorable, the unsuccessful applicant will be notified of his right to appeal to the Passport Appeals Board, whose membership will include at least three Department officers who have not been previously concerned with the case.

Text of the new regulations follow:

### CODE OF FEDERAL REGULATIONS

#### TITLE 22—FOREIGN RELATIONS

#### Chapter I—Department of State

#### Part 51—Passports

#### Subpart B—Regulations of the Secretary of State

Pursuant to the authority vested in me by paragraph 126 of Executive Order No. 7856, issued on March 31, 1938 (3 F. R. 681; 22 CFR 51.77), under authority of section 1 of the Act of Congress approved July 3, 1926 (44 Stat. 887; 22 USC 211 (a)), the regulations issued on March 31, 1938 (Departmental Order 749) as amended (22 CFR 51.101 to 51.134) are hereby further amended by the addition of new sections 51.135 to 51.143 as follows:

§ 51.135 *Limitation on Issuance of Passports to Persons Supporting Communist Movement.* In order to promote the national interest by assuring that persons who support

the world Communist movement of which the Communist Party is an integral unit may not, through use of United States passports, further the purposes of that movement, no passport, except one limited for direct and immediate return to the United States, shall be issued to:

(a) Persons who are members of the Communist Party or who have recently terminated such membership under such circumstances as to warrant the conclusion—not otherwise rebutted by the evidence—that they continue to act in furtherance of the interests and under the discipline of the Communist Party;

(b) Persons, regardless of the formal state of their affiliation with the Communist Party, who engage in activities which support the Communist movement under such circumstances as to warrant the conclusion—not otherwise rebutted by the evidence—that they have engaged in such activities as a result of direction, domination, or control exercised over them by the Communist movement.

(c) Persons, regardless of the formal state of their affiliation with the Communist Party, as to whom there is reason to believe, on the balance of all the evidence, that they are going abroad to engage in activities which will advance the Communist movement for the purpose, knowingly and willfully of advancing that movement.

§ 51.136 *Limitations on Issuance of Passports to Persons Likely to Violate Laws of the United States.* In order to promote the national interest by assuring that the conduct of foreign relations shall be free from unlawful interference, no passport, except one limited for direct and immediate return to the United States, shall be issued to persons as to whom there is reason to believe, on the balance of all the evidence, that they are going abroad to engage in activities while abroad which would violate the laws of the United States, or which if carried on in the United States would violate such laws designed to protect the security of the United States.

§ 51.137 *Notification to Person Whose Passport Application Is Tentatively Disapproved.* A person whose passport application is tentatively disapproved under the provisions of § 51.135 or § 51.136 will be notified in writing of the tentative refusal, and of the reasons on which it is based, as specifically as in the judgment of the Department of State security considerations permit. He shall be entitled, upon request, and before such refusal becomes final, to present his case and all relevant information informally to the Passport Division. He shall be entitled to appear in person before a hearing officer of the Passport Division, and to be represented by counsel. He will, upon request, confirm his oral statements in an affidavit for the record. After the applicant has presented his case, the Passport Division will review the record, and after consultation with other interested offices, advise the applicant of the decision. If the decision is adverse, such advice will be in writing and shall state the reasons on which the decision is based as specifically as within the judgment of the Department of State security limitations permit. Such advice shall also inform the applicant of his right to appeal under § 51.138.

§ 51.138 *Appeal by Passport Applicant.* In the event of a decision adverse to the applicant, he shall be entitled to appeal his case to the Board of Passport Appeals provided for in § 51.139.

§ 51.139 *Creation and Functions of Board of Passport Appeals.* There is hereby established within the Department of State a Board of Passport Appeals, hereinafter referred to as the Board, composed of not less than three officers of the Department to be designated by the Secretary of State. The Board shall act on all appeals under § 51.138. The Board shall adopt and make public its own rules of procedures, to be approved by the Secretary, which shall provide that its duties in any case may be performed by a panel of not less than three members acting by majority determination. The rules shall accord applicant the right to a hearing and to be represented by counsel, and shall accord applicant and each witness the right to inspect the transcript of his own testimony.

§ 51.140 *Duty of Board to Advise Secretary of State on Action for Disposition of Appealed Cases.* It shall be the duty of the Board, on all the evidence, to advise the Secretary of the action it finds necessary and proper to the disposition of cases appealed to it, and to this end the Board may first call for clarification of the record, further investigation, or other action consistent with its duties.

§ 51.141 *Bases for Findings of Fact by Board.* (a) In making or reviewing findings of fact, the Board, and all others with responsibility for so doing under §§ 51.135–51.143, shall be convinced by a preponderance of the evidence, as would a trial court in a civil case.

(b) Consistent and prolonged adherence to the Communist Party line on a variety of issues and through shifts and changes of that line will suffice, prima facie, to support a finding under § 51.135 (b).

§ 51.142 *Oath or Affirmation by Applicant as to Membership in Communist Party.* At any stage of the proceedings in the Passport Division or before the Board, if it is deemed necessary, the applicant may be required, as a part of his application, to subscribe, under oath or affirmation, to a statement with respect to present or past membership in the Communist Party. If applicant states that he is a Communist, refusal of a passport in his case will be without further proceedings.

§ 51.143 *Applicability of Sections 51.135–51.142.* When the standards set out in § 51.135 or § 51.136 are made relevant by the facts of a particular case to the exercise of the discretion of the Secretary under § 51.75, the standards in §§ 51.135 and 51.136 shall be applied and the procedural safeguards of §§ 51.137–51.142 shall be followed in any case where the person affected takes issue with the action of the Department in granting, refusing, restricting, withdrawing, cancelling, revoking, extending, renewing, or in any other fashion or degree affecting the ability of a person to use a passport through action taken in a particular case.

For the Secretary of State:

W. K. SCOTT  
Acting Deputy Under Secretary

## **Publications Distribution Centers: A Cooperative Endeavor**

The American public is taking an increasingly active interest in this Government's policies and activities in the field of foreign affairs. This interest manifests itself in a demand for copies of Department of State publications that deal with subjects in this field.

In the course of a year the Department publishes materials on virtually every important current phase of foreign affairs. It issues in book form papers and diplomatic correspondence on earlier phases of American international activities in a continuing series of volumes called *Foreign Relations of the United States*. This series provides a more complete record of the history of national foreign policy than is given the public by any other government in the world.

These information materials—leaflets, pamphlets, and foreign-policy reports—are available through various channels. All of them may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Many segments of the Nation-wide audience for the Department's publications, however, find it possible to purchase them more



quickly and conveniently through the regional distribution system which the Department has established in cooperation with a number of public-spirited citizens and private organizations concerned with foreign policy and international relations.

Nineteen strategically located national groups are now serving as distribution centers for the Department's publications, supplementing Federal distribution channels. They range from college libraries to civic organizations such as the World Affairs Council of Northern California in San Francisco and the Woodrow Wilson Foundation in New York City.

Anyone interested in obtaining information on foreign policy may purchase Department of State publications from a number of the distribution centers. These sales centers are indicated in the list below. All of the centers have on display a representative assortment of recent publications. Visitors interested in examining current State Department material are welcomed by the distribution centers.

In addition to selling to the general public, the centers have available a few sample copies of certain State Department publications which may be given to key leaders of educational and civic groups in their communities.

The distribution centers, through the sale and display of State Department publications, contribute to the substantial cash return which the Government receives from the sale of this material.

The following groups are presently serving as distribution centers for the Department's publications:

\*World Affairs Council of Northern California  
421 Powell Street  
San Francisco 2, Calif.

University of Denver  
Social Science Foundation  
Denver 10, Colo.

\*Chicago Council on Foreign Relations  
116 S. Michigan Avenue  
Chicago 3, Ill.

Thos. F. Cunningham Reference Library  
International House  
Gravier & Camp Streets  
New Orleans 12, La.

\*United Council on World Affairs  
355-A Boylston Street  
Boston 16, Mass.

\*Minnesota World Affairs Center  
University of Minnesota  
Minneapolis 14, Minn.

\*Woodrow Wilson Foundation  
45 East Sixty-fifth Street  
New York 21, N.Y.

Southeastern Association for Adult Education  
University of North Carolina  
Chapel Hill, N.C.

\*Council on World Affairs  
922 Society for Savings Building  
Cleveland 14, Ohio

\*University of Utah Library  
Salt Lake City, Utah

\*American Association for the United Nations  
909 Fourth Avenue  
Seattle 4, Wash.

\*International Center  
University of Louisville  
Louisville 8, Ky.

\*Institute of International Affairs  
General Extension Division  
Eugene, Oreg.

\*Buffalo Council on World Affairs, Inc.  
921 Genesee Building  
Buffalo 2, N.Y.

\*Woodrow Wilson School of Foreign Affairs  
University of Virginia  
Charlottesville, Va.

\*World Affairs Council of Philadelphia  
3d Floor Gallery, John Wanamaker Store  
Thirteenth and Market Streets  
Philadelphia 7, Pa.

\*Dallas Council on World Affairs  
2419 Maple Avenue  
Dallas, Tex.

\*St. Louis Council on World Affairs, Inc.  
511 Locust Street  
St. Louis 1, Mo.

American Association for the United Nations  
Los Angeles, Calif.

\*Centers which are selling Department of State publications.

### Check List of Department of State Press Releases: Sept. 2-5, 1952

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington 25, D. C.

Press releases issued prior to Sept. 2 which appear in this issue of the BULLETIN are Nos. 661 of Aug. 25, 666 of Aug. 25, 669 of Aug. 27, 672 of Aug. 27, and 681 of Aug. 29.

No.	Date	Subject
*683	9/2	Fulbright awards
†684	9/2	Regional conference (ECAFE)
†685	9/2	Astronomical Union (IAU)
686	9/2	New passport regulations
*687	9/2	Award to Australian newsman
688	9/3	Acheson: Egyptian developments
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690	9/3	Acheson: Message to Iran
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*The Department of State*

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# *The Department of State* bulletin

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## The Pattern of Leadership—A Pattern of Responsibility

*Address by Secretary Acheson*<sup>1</sup>

This Nation has given the world renewed proof of the almost unbelievable vitality and capacity of the American economy. Since Korea, we have multiplied by more than six times our production of what the military call “hard goods”—tanks, aircraft, ammunition, weapons, and other items—for ourselves and to help our friends and allies.

This powerful flow of production builds muscle on the right arm of peace. And so you rightly want to see this instrument for peace used wisely and well.

In a broader sense, all labor has a direct and immediate stake in the defense of the free world—not only American labor, but free trade-unions wherever they exist. For free unionism is a basic element in democratic society; and it is only in a free society that free unions can survive and flourish. Both are aspects of liberty.

### **Plight of Labor in the Soviet World**

The Communists have pretended to a great concern for the cause of labor—particularly outside the Soviet world. But behind the Iron Curtain, trade-unions have been reduced to mere organs of the state, whose prime function it is to discipline the workers and speed up their work.

The Soviets say they have large trade-unions, and every now and then they announce a new collective-bargaining contract. But what is collective bargaining under the Soviet regime? The Communist Party workers who are assigned as union officers ask permission for their fellow workers to do more work for less pay. Other Party workers, who serve as Government officials, think this is a fine deal, and a so-called “collective-bargaining” agreement is announced.

No one has exposed this fraud better than your own international president. In rejecting an invitation to the Moscow Economic Conference, Mr. Hayes wrote:

<sup>1</sup>Made before the National Convention of the International Association of Machinists at Kansas City, Mo., on Sept. 11 and released to the press (No. 717) on the same date.

Our union has nothing in common with representatives of labor fronts created by or captured by Communist parties in Russian-controlled countries and used solely for the purpose of exploiting the workers through repressive legislation and labor conditions which no self-respecting American union member would ever tolerate.

A tragic illustration of the stake free unions have in the defense of freedom is the perversion of the unions of Czechoslovakia when the Communists took over. The Czech workers had living standards among the highest in Europe. By the time the Communists finished what they called “improving the workers’ lot,” the Czechs found themselves barely eking out a living and working longer hours to do it.

The unions became instruments for passing along to the workers pressures from Moscow. In the Communist vocabulary, this was called “selfless brotherly assistance.”

Czech workers have lost the right to strike. They have lost even more—freedom to change jobs, freedom to move.

The machinists in Prague have come to know the “workbook”, held by the employer to keep workers from changing jobs without permission. Without a “workbook”, you don’t eat and you don’t have a place to live.

This “worker’s paradise” in the heart of Europe is a grim reminder to free unions everywhere of their stake in the defense of freedom.

American labor knows this and has done its part both directly and through making fine men available to the Government at home and in many critical posts abroad. And American labor knows, too, as do some of the rest of us, that this brings down upon it the vitriolic flood of Communist denunciation.

*Trud*, the Soviet labor newspaper, complained that “trade-union agents of the State Department and of the American Federation of Labor are following one another across the ocean to Europe to carry out the special orders of the American imperialists.”

And *Pravda* explained to its readers that “there

is no base action in the world to which the trade-union terrorists in the AF of L and the CIO would not turn their hand."

### Soviet Hate Campaign

So I welcome you to the honorable fellowship of those who have earned their denunciation by the enemies of freedom.

Recently, Soviet propaganda has taken a broader and more ominous turn. In the past, it had been directed against Western institutions and against the leadership of the Western nations. The line was: "The American people are all right. Their economic system is no good. Their leaders are imperialistic warmongers. But the American people are peaceful and they won't follow the warmongers."

But since January a year ago, there has been a new development. Now, the American people themselves are pictured as bestial, cruel, vicious, ruthless. In language which exceeds in violence that directed against the Nazis at the height of the war, the Soviet Union is now seeking systematically and methodically to arouse hatred against the American people.

Every aspect of American life is included in this torrent of slander. The American labor movement, American business, our young people, our newspapers, our artists, our amusements, our participation in the United Nations, and above all, our armed forces—all these have been the subject of wild vilification.

Vicious Soviet propaganda is not new, but this campaign, as I said, has a new and more evil twist: it is an attempt to poison the minds of an entire generation in one of the world's great countries against the people and the civilization of another great country. This is a criminal act.

This campaign was launched in January 1951 by a major spokesman in the presence of Stalin, Molotov, and other members of the Politburo. At once, a flood of books, articles, speeches, and other propaganda poured out across the country.

So far, the Soviets have used three themes in this campaign.

The first theme selected accused American troops of the most horrible crimes against the Soviet people at the end of World War I.

The fact that these spectacular crimes were totally unheard of for over 30 years was no impediment.

Hardly a day passes when a Soviet citizen, wherever he may live, can escape hearing or reading accounts—including so-called "eye-witness" accounts documented with fake photographs—of the bestiality of Americans and their blood-thirsty conduct.

A newspaper published in Vilna, to take one example, says: "America is a horrible beast that eats people alive. Anglo-American warmongers are base murderers and bloody cannibals. . . ."

"Never forget and never forgive"—that is the theme Soviet propagandists are trying to hammer into the consciousness of the Russian people in an effort to twist their whole outlook.

These stories were followed by a second theme: the "Korean atrocity" stories. The riots started by the Communist prisoners on Koje Island were, of course, grist to this mill.

Finally, came the third and biggest theme: charges that the United States had resorted to germ and chemical warfare in Korea. This is one of the grossest falsehoods in history. The Soviet Union has turned down every single proposal for an impartial investigation of these charges or for assistance to combat the epidemics, if any. This is a Soviet double-duty theme: it is used to feed the atrocity campaign to the Soviet people, and also the anti-American propaganda to the world, and particularly to the Far East.

This germ-war propaganda campaign was plainly prepared well in advance. One of the Soviet publications jumped the gun and published a cartoon in which I was shown with a germ-war cannister on my back. This was several months before the germ-war charge was launched. The mistake was quickly caught and the germ container disappeared in later editions. I suppose the editor did too.

Whatever else may happen under the new Soviet Five Year Plan, I am sure the Soviet Union will be able to announce it has overfulfilled its quotas of falsehood.

It is worthy of note that while the Soviet Government inside the Iron Curtain presses this hate campaign with unparalleled violence, that same Government, *outside* the Iron Curtain, blandly denies that it is going on. In a publication which circulates outside the Curtain, the Soviet propagandists denied the report of this campaign, and said:

The truth is that there are no such facts. The Soviet State is educating its citizens in the spirit of respect of other peoples and in the spirit of peaceful cooperation. The Soviet way of life is such as to leave no place for hostile propaganda or for hatred of peoples of other countries.

Compare this statement with the following, from the *Small Soviet Encyclopedia*:

Soviet patriotism is indissolubly connected with hatred toward the enemies of the Socialist Fatherland. "It is impossible to conquer the enemy without having learned to hate him with all the might of one's soul. . . ." . . . The teaching of hatred toward the enemies of the toilers enriches the conception of Socialistic humanism by distinguishing it from sugary and hypocritical "philanthropy."

We do not have time this evening to talk further about the meaning of this wicked and reckless course, but two points must be clear to us.

One is that this campaign to stir up hatred contradicts those Soviet pretensions of peace and pushes off still further a beginning upon the peaceful settlement by negotiation of problems between the Soviet Union and the outside world.

The second point that must be clear to us is that

we must continue, not deflected by anger or impatience, to insure that the free world remains free, that peace is preserved, and that all the while we are increasing the factors of strength which will shape events in our favor.

For a fundamental fact of these times is that, regardless of what tactics the Politburo happens to be following currently, hostility against the rest of the world underlies all that it does.

That is why I have gone into this matter of the Soviet hate campaign. This current Soviet tactic toward their own people casts an illuminating light on the fundamental hostility which is the concrete reality we must start with in thinking about foreign policy today.

### **A Military Shield for Free Nations**

And unless this fundamental hostility is held in check by adequate and united strength among the free nations, they live in danger.

The primary purpose of this strength is to prevent war. We have labored year in and year out to make this peaceful purpose clear.

But apart from words, which those who are strangers to truth may not believe, it must be plain from the very size and composition of the forces and defenses now being created in Europe that they are designed for defense and not for aggression.

What we have been doing is to build a military shield, behind which the economic and the political and the social strength of the free nations is being built up.

This military shield must be such that it can both prevent the vast aggression of a general war and also be able to prevent or to deal with the aggressions which seek the piecemeal conquest of the free nations.

I stress this point in order to bring out the fallacy of relying solely on retaliatory striking power. For if, in dealing with the threat of piecemeal aggression around the world, our only choice is to respond with total war, or to do nothing, then we run the risk of having the foundations of our strength washed out from under us, or of finding ourselves plunged into general war. That is why the staunch defense of Korea was absolutely essential both to our whole position and to all our efforts to prevent a catastrophic total war from sweeping the earth. The existence of this kind of strength and this determination will help to prevent further piecemeal aggression.

It is not, of course, only a military threat we have to deal with, for the Soviets place great emphasis on the possibility of political and economic disintegration, in Europe, in Asia, and in Africa, and especially among the former colonial territories.

From the writings of Lenin down to the latest issue of *Pravda*, the Communists have been licking their chops over the expected collapse of the non-

Soviet world. They are betting heavily that there will not be solutions for such matters as the financial and economic problems of Western Europe, unrest throughout the Middle East, the trade problems of Japan, the difficulties faced by newly independent nations, and the problems involved in colonial relationships.

These are what the Communists regard as pay-dirt. They hope and believe the free nations will fail to resolve these and other problems; that then disintegration will occur, and the United States would find itself isolated and weakened. Our alliances, they think, would be undermined, our trade with the world cut off, our influence and our power diminished. This is the course of events for which they hope and which Communist doctrine teaches them to expect. Then, they think, they would have the world by the tail on a downhill pull. But the Communist rulers are living on a vain hope—vain because, again, they underestimate the rest of us. The free world has the will; it has the resources—spiritual and material—to meet and surmount these difficulties, to out-produce the best the Communist world has to offer, to outlast the Communist system of tyranny.

### **Confidence Justified by Constructive Steps**

True, we face problems of great difficulty, great complexity. Most of these problems have their roots in the aspirations of people for freedom and a better life. It is the very power and force of this basic human drive which creates these problems.

That being so, how much more colossal are the problems of the Soviet regime, which not only has to hold its own people in tyranny but to administer a rule of iron over an oppressed and enslaved empire?

The surge of the human spirit toward liberty may, for a time, be suppressed by a ruthless tyranny, but just as surely as a tree will push its way up through solid rock, the human spirit will some day break through to the light of day.

This is our faith, this is what all our efforts are about. The great final strength of our cause is that it is the cause of human liberty, the cause of freedom for the spirit of man, and we believe with every fiber of our being that this cause is as much a part of the universe as man himself, and that it will not and cannot be denied.

Our confidence is justified by the great strides of progress we have been witnessing in the free world. Fragmented by the war, the free world has been pulling itself together into new patterns of confidence, of unity, and of strength. Resurgent vitality among the free nations is creating new and imaginative solutions for age-old conflicts.

We have taken the lead in developing security arrangements under the Charter of the United Nations. In Europe, this has led from the recov-

ery program under the Marshall Plan to the development toward self-confidence and unity under the North Atlantic Treaty and our military and economic aid programs. Not only has the Soviet Union been denied control over Europe's industrial plant, but Europe has responded to this threat with such bold and unprecedented measures as the Schuman Plan to unite Europe's coal and steel production, and the European Defense Community, through which Free Germany can return to the family of nations.

In Greece and Turkey a once-vulnerable flank has been converted into a position of strength.

In the Western Hemisphere, ties of security and of friendship have been strengthened by the Rio Pact of 1947 and by our programs of technical cooperation.

A great broad crescent stretches from western Africa, through the Middle East, Pakistan, India, Southeast Asia, and north to Formosa, Korea, and Japan. Here, building the structure of security has meant dealing with all aspects of Communist imperialism. Force has been met with force, not only in Korea, but in Indochina, Malaya, and the Philippines. Formosa has been shielded against Communist aggression.

A series of security arrangements has been established with the new Japan, with the Philippines, with Australia, and New Zealand.

Throughout this area, our Point Four and other economic-aid programs have been helping newly independent nations establish the foundations of economic and political progress. We have recognized that much of this area is in a process of ferment and of change. We have sought to help channel these powerful forces into constructive, peaceful, and orderly processes which will genuinely realize the aspirations of these peoples for self-government and a better life.

### **Continued Effort Necessary**

In all these ways, and in the progress of our massive defense program here in the United States, we have been building strength that will not only reduce the danger under which we live but will also put a wholly different aspect on our relations with the Soviet Union and on all our problems.

To remove from the Soviet rulers the temptation to gain their goals by military action, to make clear that there will be no collapse of free nations, that nations newly come to freedom are destined for vigorous and progressive life—all this will aid powerfully in the approach to questions that now block the way to a more durable and stable peace.

This will take time. It will take not less but more effort. It means a continuation of the determined and responsible course of working our way through the present period of danger. It takes hard work, steady nerves, enduring courage.

But it is the course best calculated to bridge our present dangers. We cannot walk through the

dangers of the present on a bridge of glittering adjectives.

Our discussions of foreign policy can be healthy and constructive if they grapple with real issues in a responsible way. They are not helpful if they do not get down to concrete situations.

It is fine, for example, to want to be "dynamic", "positive" and "affirmative", but what does this mean in terms of support for the Point Four Program, for programs to aid the economic development of our friends and allies, for shipments of grain to our friends in India?

It is fine to be in favor of international trade, but what does this mean when it comes to stopping the imports which enable our allies to earn dollars to pay for what they need?

It is fine to be for collective security, but what does this mean when it comes to doing our part in the NATO army, or when it comes to facing the blood, sweat and tears involved in the defense of that very collective security in Korea?

It is fine to be in favor of spreading the truth, but what does this mean when it comes to funds for the Voice of America?

It is something of a new experience to be urged to be more positive, dynamic, and bold by many whose chief contribution until now has been in holding back. They have their hands on the horn and their feet on the brakes.

Our coattails are ragged from the hands of those who thought that we showed too much of all these "dynamic" qualities when the President shouldered the burden of saving the Middle East in the Greek-Turkish program in early 1947, and when the Marshall Plan was developed later in the same year. There were no cries that we were too negative when the Berlin airlift was put on in 1948, or the Atlantic Treaty signed in the next year, or the Point Four Program put forward. The only negative attitude on Point Four, and on material aid for Korea and Far Eastern countries outside Point Four, came when we asked for the authority and the funds to do these things. The legislative record is worth study.

The proposal for the unified NATO army and command, which General Eisenhower served so well, was not called negative; on the contrary, it produced the Great Debate about whether it was too positive, too dynamic.

I remember with particular vividness June 1950, when the President, in one of the gravest decisions any President has had to make, faced squarely up to the armed attack on Korea and assumed, under the United Nations, the major burdens of meeting it. It was greeted then, and is not responsibly challenged now, as right and courageous.

We have heard some harsh things said about "containment". We have heard that it is negative, immoral, and futile, and that we should give it up and do something else that isn't containment.

Now, let's understand what we are discussing. It is not whether the word containment is or is not



a good short-hand description of what we have been doing and propose that we continue. Personally I don't happen to think that it is an adequate description.

The question is whether what we have done and propose to do is right—whether there are better alternatives. Not better words, but better concrete, specific acts with which to meet concrete specific problems.

Are there better ways to stop Soviet expansion without a catastrophic war, and to work our way through this period of grave danger? Are there better ways to increase the power of the free world—to unite its power—to solve the questions which were holding it back, dividing it, weakening it? Are there better ways to tip the balance in favor of the outcomes we seek, to create a new world environment in which we move confidently and peacefully to an adjustment of problems not now soluble?

If we really wish to discuss the true issues which lie behind the word "containment", these are the issues.

If the question is not just one of words, but of alternative courses of action, then the question is whether we should continue our efforts to hold in check further Soviet expansion—and I take it there is no real disagreement on this point—or whether we should be doing something more than this, something—and the adjective is usually—"dynamic", "positive" or "affirmative."

Now I think it is apparent, even from our brief review this evening, that our efforts do go beyond what is ordinarily described as "containment". Behind the military shield, we are carrying on all the measures I have been describing, to increase the vitality, the unity, the political and economic strength of the free nations. We believe, as anyone must who shares the democratic faith, that free societies can and will be more durable, and that ultimately they must exercise a strong attraction that will shift the balance in our favor.

But if through impatience or imprudence, we are urged to try to bring this shift about by force, if we are urged to seek the "liberation" of territories or peoples by force, this advice would be neither realistic nor responsible. If this is what is meant by being more "positive", then it is in fact a positive prescription for disaster.

Our position of leadership in the world calls for responsibility, not only by officials, but by all of us. It requires that we take no narrow view of our interests but that we conceive them in a broad and understanding way so that they include the interests of those joined with us in the defense of freedom. It requires that we do not do reckless things which impair these interests. We cannot dictate, we cannot be irresponsible, if we are to fulfill the mission of leadership among free peoples. The pattern of leadership is a pattern of responsibility.

Serious and responsible discussion of the problems before us is essential. No one has a monopoly of wisdom; no one among us is free from error.

But the American people know that there is no easy short cut through the difficult times ahead of us. They are determined; they are in earnest. They will do what needs to be done. They will do it as long as may be necessary and do it without self-deception and without recklessness.

And that, sooner or later, will bring to pass the triumph of freedom.

## Supplementary Tax Convention With Belgium

Press release 708 dated September 9

On September 9 Secretary Acheson and the Belgian Ambassador in Washington signed a convention between the United States and Belgium modifying and supplementing the convention of October 28, 1948, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

The convention of 1948 is pending in the Senate (S. Ex. I, 81st Cong., 1st sess.).

The modifications made by the supplementary convention to the convention of 1948 include (a) the addition in article IV of a provision for allowance, as deductions, of all expenses reasonably allocable to the permanent establishment in the determination of net industrial and commercial profits allocable to such establishment; (b) the substitution of an amended article VIII relating to reduction of tax with respect to dividends, so as to accord benefits analogous to those accorded in existing tax conventions of the United States with the United Kingdom, Denmark, the Netherlands, and certain other countries; (c) the insertion of a new article VIIIA relating to the reciprocal reduction of tax with respect to interest on bonds, notes, debentures, or any other form of indebtedness; (d) the amendment of article XII (3) (a) so as to increase from one-fourth to one-fifth the reduction with respect to Belgian professional tax and Belgian national crisis tax affecting taxable income from sources within and taxed by the United States; and (e) the substitution of an amended article XVII so as to bring the provisions regarding assistance in collection of taxes into harmony with the policy expressed by the Senate in 1951 in its consideration of then pending tax conventions.

The supplementary convention will be transmitted to the Senate for advice and consent to ratification. By its terms the supplementary convention will be regarded as an integral part of the convention of 1948. The convention of 1948 and the supplementary convention will enter into force upon the exchange of instruments of ratification.

## Forced Labor in the Soviet Union

*The following are chapters I and II of a report prepared by the United States Information Service of the Department of State for distribution overseas. In view of the importance of the subject, the report is also being given limited distribution within the United States to acquaint the American public with the story of conditions within the Soviet sphere.<sup>1</sup>*

Forced labor has been almost from the time of the October Revolution a constant characteristic of Soviet society. In seizing power the Bolsheviks were ambitious to destroy the old elite and the old institutions and to create a new society with institutions more to their liking. Use of forced labor was related to both ambitions, since it could be used to dispose of undesirable persons and perform some of the work needed to create a new society. In the first decade of rule the new Communist elite turned this weapon principally against the dispossessed elite lingering on from the former regime. In the succeeding period of construction of Stalinist socialism the rulers exploited for forced labor principally groups which the regime claimed to represent, the workers, peasants, and the new intelligentsia.

The repression, including forced labor, introduced by the Red Terror in 1918—even if in response to opposition violence—exceeded in scale anything which had been known in Tsarist Russia. Nevertheless, the propagandists employed by Party and Government claimed that this was a temporary phenomenon which would disappear with the liquidation of opposing classes and the

achievement of socialism. In fact, however, the opposite occurred. Use of forced labor against the remnants of the aristocracy and bourgeoisie was as nothing compared to the use of forced labor later against the groups supposedly allied with the Bolsheviks.

Forced labor took on mass dimensions after 1929 when ambitions of the ruling group collided with desires of the masses. The elite wanted to preserve and to extend its power. It was ambitious to increase rapidly and at all costs the power and resources within the grasp of the Soviet state while eliminating opposition to its policies within and without the ranks of the Communist Party. The peoples of the U. S. S. R. wanted the better life they had been promised, in particular release from tyrannical rule and an increase of their material well-being. The regime sought to increase industrial output quickly, especially in heavy industry, and to secure control of agricultural output. A policy of mass deprivation and mass expropriation followed. The resistance engendered by this policy provided great numbers of candidates for repression. Beyond any repression of dissidents, the regime used wholesale forced labor as a weapon against entire economic and ethnic groups which the rulers decided to destroy. The Soviet leaders sought to derive maximum economic benefit from these victims by organizing their labor power to serve the economic program of the state.

The Soviet Government was unwilling to employ economic incentives potent enough to attract sufficient free labor to the undeveloped areas of the Soviet Union, areas thinly populated and difficult to exploit. Consequently, the Government concentrated the largest masses of forced laborers in the remote areas of Siberia, Central Asia, and the Far North. Not all persons subjected to forced labor in confinement were sent to these

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<sup>1</sup> *Forced Labor in the Soviet Union*, Department of State publication 4716. Among the sources of the report are materials which the U. S. Government turned over to the United Nations *Ad Hoc* Committee on Forced Labor; for a statement on these materials by Walter M. Kotschnig, Deputy U.S. Representative in the U.N. Economic and Social Council, see BULLETIN of July 14, 1952, p. 70.

distant camps, however. Many camps and colonies were located in and near the well-populated areas. Especially for "short-timers" the nearer camps could, with little waste of time and transportation facilities, usefully supplement the supply of free labor in various parts of the U. S. S. R. In addition, they served as an everyday reminder to the people of the need for conformity.

### **Degrees of Involuntary Labor**

In a society as tightly controlled as the Soviet Union it may be asked if there is a valid distinction between forced labor and free. Much coercion is embodied in the relationship between the all-powerful Soviet state and the individual employee. A different kind of coercion finds expression in the relationship between the state and the farmer.

Compulsion or coercion of labor takes various forms. (1) Youths, often from farms, are drafted for training in labor reserve schools and bound afterwards, like graduates of higher schools, to work for 3 or 4 years on assigned jobs. (2) Workers may not leave jobs without permission, and contrariwise, certain qualified workers may be sent on obligatory assignment to other jobs in other localities. (3) Farmers are required to work a certain number of days each year in repairing roads and the like. This survival of the medieval *corvée* system has disappeared in most European countries but not in the U. S. S. R. (4) For infringement of certain rules workers may be sentenced to a type of involuntary labor with reduction of 25 percent in wages, but they remain either at their normal place of employment, or at least outside the barbed-wire enclaves. (5) Workers, peasants, and intellectuals may be exiled to remote places inside the U. S. S. R. where working opportunities are limited to a single factory or mine. Such exiles become in effect forced laborers. (6) If not exiled to a specific place, Soviet citizens may be banished from their home towns and forced to find residence and work elsewhere. Although all of these relationships involve a degree of compulsion sufficient to merit a description as forced labor, they are not of primary concern in the following text. They are discussed only as they bear upon forced labor proper.

Forced labor is a punishment meted out to those who have offended the powers that be or are considered as potential offenders. Forced laborers are persons confined for political or economic reasons in prisons, labor colonies, or concentration

camps (in present-day Soviet terminology, corrective-labor camps) and compelled to work in or near the place of confinement.

Included in the great number of forced laborers are both those sentenced by courts through regular or special courts and those sentenced by administrative order. These groups are not treated separately in the present text for the simple reason that the Soviet authorities lump them together in forced labor camps. Certain distinguishing characteristics should be noted, however. Investigation of such "crimes" as those listed in article 58 of the Soviet criminal codes is in the hands of the Ministry of State Security (MGB), an offshoot of the Ministry of Internal Affairs (MVD). The most important component of the MGB is the so-called political police, which has existed almost from the beginning of the Soviet regime and is the bearer of the "glorious tradition," to use a phrase from Soviet propaganda, of the Cheka, the OGPU, and the NKVD. The political police can decide after completing an investigation whether or not the suspect should be turned over to the courts for prosecution. If the decision is against court prosecution, the police agencies can then, without even the semblance of a trial, sentence the victim by administrative fiat to a 5-year term at forced labor. If the decision is to prosecute in court, no great uncertainty arises as to the danger of the victim's being released. Judges are sufficiently well indoctrinated politically; the defendants' protections are weak; and procedures are so adjusted that a verdict of guilty can be expected. Then the victim once more enters the grasp of the political police, who administer the entire system of forced labor.

### **Soviet Acknowledgments of the Forced Labor System**

Although a wealth of material has been accumulated describing the operations of the forced labor camps in the U. S. S. R., many facts are still not known. The gaps in outside knowledge of the Soviet labor camps relate particularly to current developments. Some of these facts will in all probability not become known, at least in the near future. The Soviet passion for concealment and secrecy extends even to data and observations regarding routine events and processes; it would be highly surprising if secretiveness did not extend to the forced labor system, a characteristic of Soviet society which goes against the grain not only of

the world's conscience but also of the Soviet leaders' own apologia.

Despite Soviet secretiveness about the nature and extent of forced labor in the U. S. S. R., much evidence regarding the system has been accumulated from Soviet documents. These documents are of several types. (1) Laws defining forced labor, establishing regimes in forced labor camps, and authorizing confinement by administrative measures without trial have been published. Although none of these is of more recent vintage than 1934, current Soviet legal publications make it clear that they are still in force. (2) When the Soviet authorities were in a mood to boast of their claimed success in reforming errant citizens through forced labor, they published material hinting at the extent to which forced labor was involved in certain construction projects, such as the canal projects. (3) Fortuitously, because disclosure was not intended by Soviet authors, the publication of a detailed Plan for 1941 disclosed the part played by forced labor in the economic life of the country on the eve of World War II. (4) Official Soviet documents given to Polish citizens upon their release early in the war from forced labor camps confirm evidence from other sources regarding the existence of literally hundreds of different camps.

#### **Eyewitness Accounts of Soviet Forced Labor**

Before World War II forced labor in the U. S. S. R. had already assumed enormous proportions. Because of Soviet censorship and tight border controls there were few witnesses who were in a position to testify to the human consequences of the system. The war changed all this. Vast dislocations of population affected Russians, Ukrainians, Azerbaijani, and other nationalities of the Soviet Union, as well as Polish citizens, former residents of the Baltic States, and, of course, Germans. Many of the Soviet citizens who had been abroad refused to return at the war's end, choosing the uncertainties of life in other countries in preference to the cruel certainties of life under a concentration-camp regime. They were justly apprehensive of Soviet measures of "re-education" following their stay abroad. This "re-education" did in fact include large doses of forced labor.

Among the displaced persons were many who had served terms in Soviet labor camps. They

had a story to tell which vividly portrayed conditions in forced labor camps up to the war. Poles who had experienced similar conditions in the early years of the war brought the story more nearly up to date when their testimony was made available, as in the notable book entitled *Dark Side of the Moon*.

The reconsolidation of Soviet authority has now dried up the main stream of eyewitness accounts. Nevertheless, enough Germans (ex-PW's sentenced to forced labor camps) have managed to leave the U. S. S. R. recently to show that the forced labor system continues to operate in the postwar years in the same old way.

#### **Estimates of Size of Forced Labor Group**

Neither reticent Soviet references to the forced labor system nor survivors' accounts offer a means of estimating the number of forced laborers. To fill this gap various students of Soviet affairs have attempted to estimate, on the basis of various statistics, the forced labor population. It is natural that these estimates should vary widely, but part of the discrepancies results from differences not only in the period considered but also in the definition of the group to be estimated. The definition may include—in addition to the basic group of inmates of "corrective labor" camps—forced laborers interned in colonies, exiles, persons punished by forced labor at their place of work, and prisoners-of-war.

Dallin and Nikolaevsky in their book, *Forced Labor in Soviet Russia*,<sup>1</sup> pass review on various estimates of the number of prisoners running up to 20 million persons and even higher. Their own guess ranges from 8 to 12 million forced laborers.

In 1948, N. S. Timasheff computed the number of forced laborers in 1937.<sup>2</sup> He based his estimate on the election returns of that year. Calculating that the population on January 1, 1938, was 167 million, Timasheff estimated that adults of more than 18 years constituted about 58 percent of this total. Since only 56 percent of the population, or 94 million, registered for the 1937 election, Timasheff concluded that 3.3 million missing adults had been deprived of electoral rights. Of these a certain number, possibly one million, were either

<sup>1</sup> David Dallin and B. I. Nikolaevsky (New Haven, 1947), pp. 84-87.

<sup>2</sup> *American Journal of Sociology*, September 1948, LIV, 150.

insane, feeble-minded, or ordinary criminals. The remainder were in prison camps.

An attempt was made by a research member of the Russian Research Center of Harvard University to find the number of forced laborers by making a detailed breakdown of the population as of January 1, 1939, by major occupational groups. Forced laborers become the residual category. Numbers of males and females can be found in official sources and can be adjusted to compensate for omissions and double counting. All the remaining adults not accounted for as students, pensioners, or as members of the armed forces should either be not gainfully employed (housewives, for example) or should be employed involuntarily. On the basis of this method a forced labor figure of almost 10 million for both sexes can be derived.

For 1940 Harry Schwartz estimated the number of forced laborers on the basis of the gap between payroll figures issued by the Central Accounting Administration and the "inclusive payroll for the economy as a whole." Central Accounting data cover wage and salary earners required by law to possess labor books, craftsmen working in cooperatives and some seasonal workers. The comprehensive payroll data cover, in addition, members of the armed forces and involuntary workers. If the average annual wage of armed forces personnel or forced laborers is 2,000 rubles, the difference of 37 billion rubles would support 18.5 million persons. Five million men were assumed to be in the army. Schwartz therefore concluded that 13.5 million persons were involuntary workers.<sup>3</sup>

Naum Jasny has presented the most recent estimate. Jasny's was based on production and investment data drawn from the State Plan for 1941. He assumed a ratio of productivity between forced labor and free labor at one-half to one. Taking into account prisoners hired out, working in a service capacity in the camps, and working in industries not mentioned in the Plan, such as gold mining, Jasny concluded that about 3.5 million were camp inmates in 1941.<sup>4</sup> This figure, however, does not include children, invalids, and other people who do not work.

<sup>3</sup> Harry Schwartz, "A Critique of 'Appraisals of Russian Economic Statistics,'" *Review of Economics and Statistics*, February 1948, xxx, 40-41.

<sup>4</sup> "Labor and Output in Soviet Concentration Camps," *Journal of Political Economy*, October 1951, pp. 405-419.

## Number of Prisoners in the U. S. S. R. and Other Countries

Because of the Soviet concealment of prison data the number of forced laborers cannot be known. Even if the number of forced laborers were only two to three million, and this is the most cautious estimate, the number is enormous in comparison either to the number confined under the Tsarist regime or to the number of prisoners confined in other countries at the present time. The *Small Soviet Encyclopedia*,<sup>5</sup> 2d edition, vol. 5, col. 361, stated that Tsarist penal labor reached its maximum in 1913 when 33,000 were confined; of these 5,000 were political prisoners. The number of people confined in regular Tsarist prisons reached a peak in 1912 with 184,000, according to Andrei Vyshinsky.<sup>6</sup> This figure includes common criminals as well as "politicals." In prerevolutionary days the highest number of political exiles was 17,000 in 1907 (according to *Soviet Penal Repression*, Moscow, 1934, p. 108). All these figures are taken from orthodox Soviet publications, which do not minimize the evils of Tsarism. A comparison of these statistics with even minimum estimates for the Soviet Union reveals the great expansion of forced labor after the Bolshevik Revolution.

The Soviet figures may also be compared to the statistics of other countries, countries which, like Tsarist Russia, have published data on prison population. In the United States, for example, portrayed in Soviet propaganda as a most barbaric dungeon, full prison statistics are published. They show that there is an average of one person out of 1,000 imprisoned, i.e., a total prison population of 150,000 in a country with a population of more than 150 million. If the U.S.S.R. had the same ratio of prisoners to population, it would have 200,000 prisoners rather than 2 to 20 million. The U.S.S.R. would have 200,000, that is, if crime were as prevalent under Soviet socialism as under capitalism. But all Soviet apologists assert that crime is disappearing under socialism. Hence a figure considerably less than 200,000 would be expected, rather than a figure from 15 to 100 times as large.

### Social Effects of the Forced Labor System

Forced labor on the tremendous scale on which it exists in the U.S.S.R. brings terrible consequences in its wake.

<sup>5</sup> *Malaya Sovetskaya Entsiklopediya* (Moscow, 1936).

<sup>6</sup> *Prisons in Capitalist Countries* (Moscow, 1937), p. 54.

Those most seriously affected are, of course, the victims themselves, persons confined for shorter or longer times to forced labor camps. Their lives are likely to be, in Hobbes' phrase, "nasty, mean, brutish, and short." Work is burdensome and for long hours. Skills frequently become rusty. Work conditions are hazardous to health, and hence illness comes often. Inadequacy of medical facilities delays or prevents recuperation. Human relations deteriorate in the unnatural society of the camps. Even if the victim survives his camp existence and returns to free society, he may be handicapped in rehabilitating himself either by physical or psychological defects or by the stigma attached to his name.

The forced labor system brutalizes others besides the victims. The keepers and guardians responsible for guarding the unfortunate inmates suffer a blunting of moral fibers and display tendencies to degeneration.

The system makes fear routine in the population. It shuts mouths which should speak freely and inspires the utmost caution and servility.

By its existence on a vast scale the forced labor system makes necessary the continued elevation of the political police and their continued penetration into the innermost recesses of everyday life. Since the role of the police is in turn dependent in part on the size of the forced labor establishment, a vicious rhythm is created which continues to exert deleterious effects on Soviet society.

#### **Forced Labor Constant in Soviet Society**

Forced labor has been a constant feature of Soviet society from the early days of the civil-war concentration camps to the present period of large-scale economic enterprises maintained and operated by prison labor. In the first years of the regime the Bolsheviks through proclamations promising reform of prisoners attempted to obscure the seamy reality of this institution. In recent years the Soviet authorities by their almost complete silence on forced labor have attempted to enforce secrecy about the hundreds of camps and millions of prisoners. Nevertheless, there is ample evidence not only of the economic and political significance of forced labor in the Soviet Union but also of the inhumanities which have accompanied its application through 34 years of Communist rule.

At every stage of Soviet development the forced

labor system has been adapted to changing political and economic needs. The use of forced labor as a means of political control has been constant, but the groups most seriously affected have changed in accordance with shifting emphases in political warfare. The economic significance of forced labor has varied with changes in economic programs.

#### **Forced Labor in the Period of War Communism, 1918-1921**

Forced labor camps were first opened in the fall of 1918 with the institution of the "red terror." Political repression of the former ruling groups, the *raison d'être* of forced labor in the first decade of Soviet rule, was presented as a temporary measure directed against an enemy class destined to destruction. In this period forced labor was on a small scale, with perhaps less than 100,000 in camps in 1921. This number was particularly small compared with the large-scale operations in subsequent years, when the same repressive measure was directed against workers, peasants, and the revolutionary intelligentsia, the purported mainstay of the regime.

Nevertheless, it was in this early period, 1918-1928, that the forced labor system became entrenched in Soviet society. In the first months of the revolution the Bolsheviks organized a special political police agency, the Cheka, which has continued to exist under other names to the present. This police agency played a key role in the operation of forced labor camps, partly because it possessed the power to sentence victims to exile or to forced labor camps without any judicial procedure, by administrative decree only. The labor performed by the victims was in the early years of only incidental value to the state, since little attempt was made to organize it on a profitable basis. This was also true of the other widely heralded "progressive penal institutions," such as labor colonies or corrective labor houses, to which errant citizens of the working class were sent.

#### **Forced Labor in the NEP Period 1921-1928**

Concentration or forced labor camps continued to exist all through the period of the New Economic Policy (NEP), 1921-1928, along with the system of penal institutions for nonpolitical criminals and the work projects organized for those sentenced to forced labor without incarceration. Although the NEP period represented a consid-

erable relaxation from the stringent persecution applied during the first years of Bolshevik rule, there was little essential improvement in the status of the political prisoner. The repression carried out earlier by the Cheka found its continuation in the activities of the GPU-OGPU.

It was in this early period that the authorities formulated the legal basis of the forced labor system. One such principle involved the previously mentioned acceptance of extrajudicial methods for sentencing to forced labor, and control of forced labor camps by the political police. The criminal law codes instituted during NEP fixed forced labor as a standard penalty. These codes, typified by that of the R.S.F.S.R. (1922; revised in 1926), distinguished between forced labor with confinement and forced labor without confinement. The former involves incarceration in a labor camp, or colony, and the latter compulsory performance at a reduced rate of pay in either the person's regular job or some other assignment. These varieties of forced labor have been perpetuated to the present day.

In addition to establishing norms of the criminal law, Soviet authorities in this early period promulgated the first corrective labor code. This was issued in the R.S.F.S.R. in 1924. It was followed by codes of the other republics. These statutes established a detailed set of rules for persons condemned to all types of forced labor, and provided for a system of social stratification in Soviet penal institutions in which criminal elements were considered the elite.

#### **The Early Plan Period, 1929-1934**

With the end of NEP and the resumption of the "socialist offensive" in 1929, forced labor assumed new importance. In the earlier years forced labor was aimed at former "exploiting" classes. In the period of collectivization the farmers who held small tracts of land and a few head of livestock became the chief victims. Five million of these peasants with their families were eliminated, as Molotov acknowledged, i.e., were uprooted and transported to remote regions of the U.S.S.R. The Five Year Plans were inaugurated at this time to bring rapid industrialization to Soviet society. The greatly expanded economic activity of the state was attended by a substantial increase in the population of the forced labor camps. By 1931 the number of inmates in both prisons and

corrective labor camps is estimated to have been almost 2 million for the R.S.F.S.R. and the Ukraine alone.<sup>7</sup>

The economic exploitation of Soviet prisoners by the OGPU and its successor, the NKVD, became more obvious as the years passed. Soviet figures relating to several projects employing prison labor were published during the 1930's. They indicate that the U.S.S.R. employed more forced laborers on *each* of several projects than the total number of prisoners forced to perform heavy labor in any year under the Tsar. According to a Soviet source, the highest point of repression under the old regime was reached in 1913, when 33,000 convicts were engaged in penal labor.<sup>8</sup> In an attempt to refute Western charges about Soviet forced labor, Molotov reported to the All-Union Congress of Soviets on March 8, 1931, that there were "about 60,000" persons performing corrective labor on three highways, a railway and the White Sea-Baltic Canal.

In actual fact, a much greater number of forced laborers was employed on these projects, which constituted only a small portion of the total forced labor activity. In 1933, upon completion of the canal alone, about 72,000 of the prisoners who had worked on the project were freed or received shortened terms by governmental decree. Similar decrees in 1937 released 55,000 prisoners who worked on the Moscow-Volga Canal and 10,000 who worked on double-tracking the Karymskoye-Khabarovsk railway.

The period of the First Five Year Plan was important for developments in the legal basis of forced labor, which since that time has remained substantially unchanged. Both the 1930 statute on corrective labor camps and the 1933 R.S.F.S.R. Corrective Labor Code (see p. 8), which regulates all other types of forced labor, are still in effect. In addition, a 1930 law of the R.S.F.S.R. introduced into the Soviet judicial system the principle of exile at forced labor, hitherto applied only administratively by the OGPU. This measure found immediate and widespread application against the kulaks in the then developing collec-

<sup>7</sup> Estimate based on data in A. Ya. Vyshinsky, *Ot Tyur'em k Vospitatel'nyim Uchrezhdeniyam* (From Prisons to Educational Institutions), Moscow, 1934, pp. 171, 259.

<sup>8</sup> *Small Soviet Encyclopedia* (Moscow, 1936), vol. 5, col. 361.

tivization program. Exile at forced labor was widely applied to these peasants by the courts as well as by the OGPU.

During this period a definite end was written to the pretense that the political police with their powers outside the law constituted a temporary phenomenon in Soviet development. The so-called exploiting classes had been liquidated, and socialism was soon to be proclaimed. Yet the status and extra-legal authority of the political police were fully confirmed in 1934 when the U.S.S.R. established, for the first time on the All-Union level, a People's Commissariat of Internal Affairs (NKVD).

### **The Era of the Purges, 1935-1939**

Forced labor had therefore already become a well-developed system by the time country-wide, new wholesale purges were initiated in the mid-1930's. Consequently, the administrative structure of this system was well organized and equipped to receive the additional great numbers of victims who were soon to find their way into the camps and other penal institutions.

Changes in the police structure of the Soviet Union in 1934 when the All-Union NKVD was established made it easier for the Soviet Government to sentence people to the labor camps without according them the right of court trial. This procedure was institutionalized in the form of the Special Conference of the NKVD, a police organ with the power to exile, banish, or confine in corrective labor camps for periods up to 5 years. Under the conditions of great internal stress prevailing in the Soviet Union following the assassination of Kirov in 1934, the police authorities exercised their extrajudicial powers freely on the Soviet citizenry.

The state found ample projects on which to employ these great masses of human material at forced labor. The NKVD's economic activity expanded tremendously in the fields of hydroelectric construction, production of industrial goods, and exploitation of the extractive industries, especially in remote localities. It was during these years, for example, that the forced labor camps of *Dalstroï* (the Far Eastern Construction Trust) became synonymous with the mining of gold in the Soviet Union.

### **Forced Labor on the Eve of World War II**

By the time forced labor became a large-scale business in the U.S.S.R., the authorities became secretive about the magnitude and even the existence of the system. A gauge of the importance which forced labor had assumed in the economy of the Soviet Union during the late 1930's was provided by the detailed Soviet Economic Plan for 1941. This Plan, intended only for official use, fell into the hands of the Germans during World War II. The text of the Plan disclosed some dimensions of the forced labor operations in the economy and showed that a sizable part of the total production in the Soviet Union was performed by forced laborers.

### **War Developments in Forced Labor**

With the outbreak of World War II the population of Soviet forced labor camps was augmented for the first time by large numbers of non-Soviet citizens. These consisted of inhabitants of the Baltic States and the eastern part of Poland who were considered hostile to the Soviet Government, as well as prisoners from the liquidated Polish armed forces. Many of these foreign prisoners were sent to penal labor institutions or transported to exile in the Soviet Union without the formality of judicial procedure. The inhumanity of Soviet methods of banishment to exile and forced labor is well recorded by documents on the deportations from the three Baltic States in 1941, which include long and detailed lists of individuals to be rounded up and transported, and by the depositions of former Polish prisoners.

Soviet participation in the war brought about considerable changes in the forced labor empire. Although there is little factual information on this period, because of war-time secrecy, the population of the camps seems to have decreased as a result of the need for manpower at the front. Various groups of Soviet citizens were transferred to army units. The Polish prisoners who had been incarcerated for almost 2 years were released by the agreement between the Polish Government-in-Exile and the Soviet Government of July 30, 1941. There does not seem, however, to have



been a sharp cutback in the productive tasks assigned to the NKVD, although it is probable that the responsibilities of this agency were altered by the emphasis on functions relating to war production.

The war also brought in its wake other trends affecting the status of forced labor as an institution. Sentences to corrective labor without incarceration, always boasted of as an effective reform measure by the Bolsheviks, were to a large extent replaced by short-term sentences to deprivation of freedom. In 1942, for example, in the R.S.F.S.R. (excluding the autonomous republics) sentences to deprivation of freedom accounted for 73 percent of all sentences by the courts, as compared with 33.5 percent in 1934. This development seems to have been due largely to restrictive labor legislation passed at the beginning of the war.

Under the stress of war conditions, so-called "labor educational colonies" were organized in 1943 under the NKVD for minors aged 11 to 16.<sup>9</sup> As far as is known, this marked the first time that penal measures had been applied to children as young as 11 years of age. In the same year the old Tsarist punishment of *katorga*, or hard labor, which the Bolsheviks of earlier years had abolished with great fanfare, was instituted for terms of 15 to 20 years by an edict of the U.S.S.R. Supreme Soviet on April 19, 1943. The Soviet authorities said that this punishment was designed for certain crimes by both "German Fascists and traitors to the motherland—those giving aid to the enemy." Actually, terms of the law were vague enough so that it could be applied to political dissidents.

#### Developments Since the War's End

Towards the end of the war, forced labor began to assume a role of greater importance than had apparently been allotted to it during the years when the country had been in extreme danger. New contingents of people undergoing repression provided labor power for the huge amount of reconstruction which was to be undertaken. Among these the main groups seem to have been new de-

portees from the Baltic States and other annexed territories, collaborators with the Germans, deserters and members of the Vlasov army, and simple workers and soldiers returned from Europe who were considered to need a period of reindoc-trination. Several Soviet minority nationalities fell victim to the charge of cooperating with the enemy and were deported to other regions of the U.S.S.R. These included the Volga Germans, the Chechen-Ingush, Kalmyks, Karachai, and others. Great numbers of enemy prisoners of war were organized by the NKVD into productive units for the state.

Although several important functions in the construction field were withdrawn from control of the NKVD early in 1946, this agency nevertheless appears to have been one of the largest capital construction ministries in the U.S.S.R. in the postwar period. The MVD is in charge of the construction and maintenance of highways of All-Union importance and has been entrusted with a large share of responsibility for some of the greatest railway and hydrotechnical construction projects attempted in the U.S.S.R. (see also Chapter V). Included in the latter are the large power plants and canals announced in the Soviet press during the latter half of 1950. The great publicity accorded the five decrees on the subject did not, of course, mention the part the MVD will play, since the Soviet Government no longer boasts of the "achievements" of its slave labor force.

The present size of the slave labor force at the disposal of the MVD is unknown. Soviet sources in recent years have seldom referred to the U.S.S.R.'s forced labor system and hardly at all to the once well-publicized institutions which administer it. Forced labor nevertheless continues to form an integral unit in Soviet planning and is without question a factor of importance to the development of the Soviet economy.

The dislocation of population caused by the war served a great purpose in enlightening the world regarding Soviet forced labor. By strict censorship over all publications and outgoing news and by strict control of travel the Soviet authorities had attempted to draw curtains on the forced labor system. As a result of the war, however, thousands of Soviet citizens had an opportunity to escape from further Bolshevik rule by refusing

<sup>9</sup>I. T. Golyakov, *Ugolovnoye Pravo* (Criminal Law), Moscow, 1947, p. 80.

to return to a concentration-camp existence. In this group were many who in the prewar period had suffered as political prisoners. Their accounts of personal experiences and their knowledge of the system threw a flood of light on the

operation of the regime of forced labor in the Soviet Union, as did the accounts of German prisoners of war who had spent some time in regular Soviet concentration camps and were later allowed to return to their country.

## Problems Facing the North Atlantic Community

*by Ambassador William H. Draper, Jr.  
U.S. Special Representative in Europe*<sup>1</sup>

You are working toward the same important ends which my colleagues and I in the North Atlantic Council are trying to achieve, and I should like, therefore, to pay tribute to Lord Duncannon and his associates who conceived this Conference. I also want to thank each of you for your public spirit in coming here to explore ways and means of promoting a better understanding of the North Atlantic Treaty Organization's (NATO) objectives in your respective countries and communities.

There could be no more fitting place than Oxford for this Conference. By bringing together and educating Rhodes scholars from many countries over many years, Oxford has made one of the outstanding contributions toward broader international understanding.

The idea of education exchanges between nations has spread widely since Sir Cecil Rhodes had his great idea. Today, thousands of students and teachers pass back and forth each year between all free countries. This year, more than 8,000 students from NATO countries are studying in the United States alone, and 20,000 Americans are studying in other lands, mainly in the countries of NATO. This circulation of students and teachers and knowledge is the bloodstream, or I might call it the thought stream, of the Atlantic community, essential to its growth.

I should like to consider with you the simple question of what NATO is and what we may expect it to become. This, I must confess, is something we should do more often. The day-to-day business of the North Atlantic Treaty Organization is detailed and complex. Sometimes I feel we tend

to get bogged down in current activities. Your organization serves an exceedingly useful purpose if it does no more than encourage those of us directly concerned with NATO affairs to take stock from time to time.

### Background of NATO

The North Atlantic community, as a community of interests, existed long before the North Atlantic Treaty was signed in Washington on April 4, 1949. Two world wars had demonstrated that an all-out attack aimed against one of the members of the community threatened the security of all, and that sooner or later all would be drawn in. Twice within a generation, countries of the community had been obliged to band together to resist, and to finally overcome in long and costly wars, aggression that had been thrust upon them.

In other respects as well, the North Atlantic community existed before the treaty. The countries in that community are founded on the principles of democracy, individual liberty and the rule of law. They are free and independent countries and are determined to remain so. Much of their spiritual and cultural heritage they hold in common. These are sometimes referred to as the intangibles that unite the North Atlantic countries. But to my mind, the intangibles—the spirit, the will, and the determination of our peoples—are the essential factor; upon their strength depends our freedom.

At the signing of the North Atlantic Treaty,<sup>2</sup> the Secretary of State, Mr. Acheson, emphasized that the reality of the treaty was

<sup>1</sup> Address made before the Atlantic Community Conference at Oxford, England, on Sept. 12 and released to the press (No. 725) on the same date.

<sup>2</sup> BULLETIN of Apr. 17, 1949, p. 471.

the unity of belief, of spirit, of interest, of the community of nations represented here. It is the product of many centuries of common thought and of the blood of many simple and brave men. . . . The reality lies not in the common pursuit of a material goal or of a power to dominate others. It lies in the affirmation of moral and spiritual values which govern the kind of life they propose to lead and which they propose to defend, by all possible means, should the necessity be thrust upon them.

The other foreign ministers present at the signing of the treaty also dwelt upon these two themes of defense and of peaceful progress which were the twin purposes of the pact. And it was made clear at the signing of the pact, and since, that there is nothing narrow or exclusive about the North Atlantic community, that the community is but part of the world community, and that NATO is actually a bastion of strength for the whole free world.

In the treaty itself, the countries concerned agreed that an armed attack against one or more of them should be considered an attack against them all; they agreed to maintain and develop, separately and jointly, by means of continuous and effective self-help and mutual assistance, the individual and collective capacity to resist armed attack; and they agreed to set up a permanent organization to aid in implementing the treaty.

But they also agreed to more.

In article 2, they agreed to "contribute to the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being." They further agreed to "seek to eliminate conflict in their international economic policies" and to "encourage economic collaboration between any or all of them."

### **The Military Aspects of NATO**

There have been critics of NATO, both friendly and unfriendly, who have emphasized the military aspects of the NATO alliance, who have pointed out that progress in NATO organization and effort has been made largely in the military sphere, and that economic and cultural development of the Atlantic community has been pushed into the background.

In commenting upon this criticism, I should like to sketch very briefly a little recent history which is needed to understand the origins of the North Atlantic Treaty and the subsequent development of NATO.

You are familiar with that history. You know that Western leaders sought to create out of the wreckage left from the Second World War a world community of nations, directed to peaceful advancement. They established the United Nations for that purpose. And the United States and its allies in the West proceeded to disarm.

Then came the disillusionment. With mounting horror, we watched the accumulation of evidence

that the Soviet Union was embarked upon aggressive expansion to which there were apparently no limits. One by one, the countries of Eastern Europe passed under Soviet control in direct violation of Soviet pledges. Then came the Communist aggression in Greece and Soviet pressure on Turkey. Then came the rejection by the Soviet Union of the Marshall Plan and subsequent efforts to cripple the economic recovery of the West. Then came the organization of the Cominform, the blocking of peace treaties, and the stepping up of Communist activities throughout the world. These developments were accompanied by persistent Soviet use of the veto in the United Nations and the unleashing in the Soviet Union and throughout the world of a campaign of hate, distrust, and lies.

Finally came the Soviet-managed *coup d'état* in Czechoslovakia in the spring of 1948, followed shortly by the Berlin blockade, marking direct Soviet intervention and expansion into the very center of Europe. It was then that the free countries of the West started negotiations which culminated in the North Atlantic Treaty.

Even then, in 1949, we still thought we had time to build the military defenses of the Atlantic community without making much sacrifice. That complacency was shattered by the Communist invasion of South Korea in June 1950, demonstrating as it did that world communism was not only expansionist but reckless as well. Rearmament in the West, and rearmament in a hurry, was clearly demanded.

It was in these circumstances that the overwhelming thought and attention and energy of the NATO countries were thrown into the drive for rearmament. Elementary considerations of security demanded that the nations of the West build an effective military shield against the mounting danger as fast as possible, and that the defense effort should have the highest priority. This did not mean, and does not mean, that the other objectives of the North Atlantic community have been abandoned. It merely means that first things had to come first.

Last week, the Soviet delegate to the U.N. Security Council, Mr. Malik, went to great lengths to denounce NATO as an aggressive military alliance directed against the Soviet Union and to attack with special violence the principal architects of NATO. There was nothing new in this. It has been a major theme of Soviet propaganda for years. But it did seem unusually vitriolic, even for a Communist.

I think I can understand the violence of this Soviet attack on NATO. It must stem at least partly from frustration. Only a few years ago, the countries of the West, individualistic, divided and militarily weak, must have seemed easy pickings to the men of the Kremlin. Today, we are no longer easy pickings.

Today, we have very substantial NATO defense

forces in being, a common NATO military command in operation, and a military build-up program that is steadily moving forward. The military plan agreed upon by NATO powers at Lisbon last February calls for the provision to NATO by the end of this year of approximately 50 combat-ready ground divisions, about 4,000 airplanes, and a comparable naval strength. These goals may not be achieved in full by the end of this calendar year, but any slippage is likely to be of relatively small proportions and with intensive effort it should be possible to complete the 1952 goals early in 1953.

### Progress No Reason for Complacency

This, I submit, is a good record. Just a few years ago, many European members of NATO were on the verge of economic collapse. Europe was virtually disarmed. Today, in Europe, substantial and steadily increasing NATO forces stand guard, deliveries of equipment are rising, and training programs are accelerating. Our common military planning and military leadership have made important gains as combined training exercises have been undertaken and successfully accomplished. During the past year, 700 million dollars' worth of U.S. offshore procurement contracts were placed in Europe to help strengthen the European production base. NATO recently developed recommendations for a coordinated European aircraft production program to which the United States is gearing a part of its new offshore procurement program. Scores of air bases and widespread communications facilities are being constructed for the use of NATO forces. In the military build-up, we are clearly making progress.

Meanwhile, the North Atlantic Treaty Organization has been streamlined and made into a much more effective instrument for action. Negotiations for a European Defense Community have been completed and a treaty is in the process of ratification. The European Coal and Steel Community has come into being. Recently, the European Payments Union successfully weathered a severe crisis and was extended to carry on its good work. Agreements with Western Germany have been signed to end the military occupation of Germany and make possible German participation in Western defense as part of a European army.

These, I submit, are solid achievements. No longer is NATO only a phrase or an idea. It is a going concern, and one that is growing in strength and effectiveness.

Let those who have worked long and hard to achieve these ends take encouragement from the record. But let them not take progress as a reason for complacency. For in spite of recent suggestions in the news there is no credible evidence of the easing of the Soviet threat itself. And, in the face of that threat, present NATO strength—mili-

tary, economic, and spiritual—still remains far from adequate.

The economic foundations of the Atlantic community are not as sound as they should be and need further strengthening if we are to have effective security. The chief difficulty lies, as I pointed out in my recent report to President Truman,<sup>3</sup> in the chronic balance-of-payments problem that exists between Western Europe and the dollar area. The United States has a huge excess of exports over imports, an excess that has persisted over a long period of years. Western Europe, for its part, has a persistent shortage of dollars and is unable to pay for its essential requirements in the dollar area. This has called for continued large-scale annual grants-in-aid from the United States to Europe since the war. In my report to the President, I pointed out that there were important things to be done both in Europe and the United States if this difficult problem were to be solved.

I have noted that my report was received with considerable interest on both sides of the Atlantic. It was not unnatural, I suppose, that the European press in its comments should have emphasized what I had to say about American responsibilities and that it should have given considerably less attention to what I had to say about European responsibilities. It is clear indeed that if Europe is eventually to pay its way in the world without American aid, the United States must take needed action to adjust its foreign-trade balance and yet maintain a high and increasing level of world trade. This means both reducing the barriers to greater purchases from Europe and also increasing overseas investments of American capital.

But there are important things that Europe, too, must do. Europe must become more productive—and at more competitive prices. This means harder thinking and harder work. This means creating a wider market, a market freed of trade restrictions and cartel arrangements which hinder mass production and mass selling. It also means a deeper market—a market continuously expandable by reason of the ability of workers with a rising standard of living to buy increasingly the fruits of their production.

These, I am happy to note in passing, are objectives set forth in the treaty establishing the European Coal and Steel Community. A single market for coal and steel as wide as the six-member countries will be established. If, as this great experiment develops, greater competition and greater productivity—as publicly stressed by the President of the High Authority—are actually achieved, the way will have been opened for similar progress in other industries and perhaps within wider boundaries.

I was gratified that French Prime Minister Pinay, in an important speech a few days ago, re-

<sup>3</sup> *Ibid.*, Sept. 8, 1952, p. 353.

jected a solution of France's economic problems based on inflation or on stagnation. Instead, he championed a policy of greater production based on free and fair competition, on new productive techniques, and on banning restrictive agreements by law. He said—and I quote—"The solution for France is not a question of selling fewer products at higher prices—it is a question of satisfying more needs at lower costs." I could not agree more—not only for France but for all of Europe.

### Adverse Labor Conditions

Another problem that I would like to mention here, and one with which NATO could profitably concern itself, is that of overpopulation and unemployment in some of the member countries. Overpopulation and unemployment, wherever they occur, pose a threat to social, economic, and political stability. Moreover, they represent great human waste which should not, in this day and age, be allowed to exist on any appreciable scale.

Side by side with unemployment in some NATO countries is labor shortage in others. Surely the community ought to see to it that such a situation should not be permitted to continue. It is clear that when 10 percent of the working population is unemployed, as in Italy, we have a situation that needs correction. Naturally, every possible step should be taken by the particular government concerned to put its own people to work, but if this problem cannot be wholly solved by national action, which is clearly the case of Italy, then it is to the advantage of the entire Atlantic community to cooperate in finding solutions.

One answer, and a very elementary one, to this problem is to facilitate emigration from overpopulated countries to those in need of additional labor. I realize only too well the obstacles and the prejudices that often prevent such a transfer of peoples. In most of our countries there are important groups that oppose the liberalization of immigration rules. Our own recent experience in the United States is a good case in point. There are similar difficulties in other NATO countries.

You who are assembled here tonight can, I believe, make a contribution to overcoming these difficulties. It is highly important, in my opinion, to increase public understanding of the relation between overpopulation and wasted manpower on the one hand and peace and stability on the other.

In my own country, President Truman has just appointed a seven-member commission to review U.S. immigration policy.<sup>4</sup> I sincerely hope that this will result in a modification of the narrowly restrictive immigration bill which Congress recently passed over the President's veto. Other countries might also give careful consideration to this problem.

<sup>4</sup> *Ibid.*, Sept. 15, 1952, p. 407.

The strength of the North Atlantic community—its ability to resist military attack, to withstand economic strain, and to resist ideological erosion—is no greater than the spirit that binds us together. We have made considerable progress in building military and political defenses. We have—in the economic field—at least defined the objectives and have coped, by temporary and emergency measures, with economic crises as they have arisen. But I must confess that I share your concern that we of the North Atlantic community could and should do more to strengthen our ideological defenses.

The world-wide struggle in which we are engaged is not only political, military, and economic. It is likewise, and even more importantly, a battle for the minds of men. Communism battles for men's minds with all weapons, fair and foul, with no holds barred. It stirs up strife with false promises. It encourages brother to testify against brother. It plays upon prejudice and passion. It uses the concentration camp and the torture chamber. It murders and kidnaps its victims. With diabolical skill it wrings confessions from the innocent by drugs and mental and physical cruelty beyond the limits of human endurance. Its propaganda knows no bounds. If, with these weapons, it could enslave the minds and souls of peoples, it could conquer the world.

I am profoundly grateful that you here at this Conference have recognized the vital importance of countering this aspect of the world struggle with communism. Under article 2 of the North Atlantic Treaty, our countries have agreed to strengthen their free institutions by bringing about a broader understanding of the principles upon which these institutions are founded. But actions by governments alone are not enough. Governmental and NATO information programs are highly useful, and we are developing our facilities in this respect, but the main burden of strengthening public understanding of the meaning and purposes of NATO and of the basic values and the community of interests that underlie it, and equal understanding of the alternative slavery that the Soviet offers, necessarily falls upon private groups, organizations, and individuals. You, here at Oxford, have seen the great need and you have undertaken to shoulder a part of the burden.

I can foresee that the official NATO organization and some great unofficial allied organization of private individuals and groups from our many countries might well bring about, by working together, a closer relationship among the people of the North Atlantic community. There is a great opportunity here, and one whose possibilities we can only begin to contemplate. As U.S. representative in the North Atlantic Council, I shall welcome contributions or suggestions from any of you as to ways and means by which NATO could promote a fuller knowledge of the Atlantic community and its problems.

In the work of the Council I sense a growing spirit of dedication to our common purpose. Our 14 governments have made long strides toward unity and strength. If this trend continues, and I expect it will, we can see ahead improved prospects of a peaceful world solution for which free men have hoped since Soviet imperialism unmasked its evil intentions.

In the dark days of 1940 when the British Empire stood alone against Hitler's mad attack, and when my country was beginning to help by sending rifles and guns and destroyers to Britain, Winston Churchill in a moving address in the House of Commons remarked that the affairs of the United States and those of the British Empire were getting more and more mixed up for the mutual and general advantage of both.

At present, the affairs of the 14 NATO partners are also getting mixed up together for a great and noble purpose—the preservation of peace and freedom. I cannot see the end of the road, but I suggest that we all take courage and inspiration from Mr. Churchill's words of 12 years ago. Speaking of this mixing process, he said,

Looking out on the future I do not view the process with any misgivings. I could not stop it if I wished; no one can stop it. Like the Mississippi, it just keeps rolling along. Let it roll. Let it roll on full flood, inexorable, irresistible, to broader lands and better days.

## **Maltreatment of Americans in Communist China**

*Press Conference Statement by Secretary Acheson*

Press release 712 dated September 10

You have all heard of the death of Bishop Francis Ford in a prison in Communist China. This Catholic clergyman was 60 years old and had spent over 30 years of his life in China.

About a year and a half ago we heard that Bishop Ford had been placed under arrest by the Communists. But we could never be sure what had happened to the Bishop because, in the tragically familiar pattern of the Communist police state, arrest meant that he was cut off completely from all outside contact, and no one in authority would divulge any information concerning him. As far as we know, however, he was never brought to public trial.

Credible reports now indicate that Bishop Ford was allowed only the most meager diet and was subjected to maltreatment and humiliation in the presence of the people he had served for half a lifetime, before he died in a Communist prison cell last February. The Chinese Communists did not allow news of his death to reach the outside world until more than 6 months later.

Other innocent and peaceful Americans in China have similarly fallen victim to Commu-

nist brutality. Gertrude Cone, a Methodist missionary, applied to Communist officials for an exit permit in January 1951. Her permit was not issued. In the summer of 1951 she became ill with cancer. Running low on funds, she asked Communist officials for permission to telegraph Hong Kong for money to live on. Her request was refused.

Gertrude Cone subsisted on a starvation diet until early February 1952. In December 1951 she fell and broke her hip. Despite extreme pain from cancer, the broken hip, and malnutrition, she made her way to the police station to again plead for permission to wire Hong Kong for funds. Again she was refused. Gertrude Cone was carried by stretcher across the border into Hong Kong February 18, 1952. She died 48 hours later.

Gertrude Cone had committed no crime. She was not accused of any crime. But her life was cut short by the brutal callousness of Communist officials.

Dr. William Wallace, an American Baptist physician, superintendent of the Stout Memorial Hospital, Wuchow, China, was arrested by the Communists on December 19, 1950. He had spent much of his life in helping the Chinese people. But Dr. Wallace was grilled and tortured by his Communist jailers. He died in prison February 10, 1951. His only crime was the high esteem in which he was held by the people of Wuchow.

Philip Cline, an American businessman, was arrested in April 1951, accused of spying. He was released several months later in a precarious state of health. He suffered from heart disease and diabetes. Despite his critical condition, he was rearrested in August 1951 and forced to stand endless questioning by Communist officials. In October 1951 Mr. Cline was again released from prison. Cline and his wife were destitute, living on bread and water. In the middle of November 1951 Philip Cline died in the city of Tsingtao. A principal cause of this American's death was the denial to him of insulin for treatment of his diabetes while in prison.

There are other American and foreign nationals similarly arrested on trumped-up charges who are still languishing in Chinese Communist prisons. They continue to be denied the basic right to communicate with the outside, to know the charges on which they are held, to have access to counsel and witnesses, and to have a fair and open trial.

The standard Chinese Communist procedure in treatment of prisoners is to endeavor to extort false confessions from them by use of third-degree methods. The Communists refuse even to acknowledge that they hold these unfortunate persons. There may be more Gertrude Cones, Bishop Fords, Philip Clines, and William Wallaces, whose cases are unknown to us. We only know that these Communist crimes will be forever condemned by those who believe in simple justice and fair play for human beings.

## The Colombo Plan: New Promise for Asia

by Wilfred Malenbaum

The Colombo Plan relates to South and Southeast Asia, to countries where there are some 600 million people, about one-fourth of the world's population. Average annual incomes are among the lowest in the world. In real terms these incomes are less than they were prior to the war. This decline is only partly due to the dislocations and destruction of the intervening years. More significant by far is the fact that average income in these areas has tended to decrease over a long period. The development of new resources and the improved use of old resources have not kept pace with the increases in population. Thus the region no longer produces enough food for local consumption, even at the low caloric levels now prevailing. Despite the fact that there are in the area countries which are the world's major exporters of rice, a basic cereal in the diets of the people of South and Southeast Asia, millions of scarce dollars must be spent each year for grains imported from abroad. The potentials of the area, both human and material, should make it economically possible both to increase exports from the surplus regions and to reduce the import needs in other countries. Rapid development of this potential requires an aggressive attack not only in agriculture directly but also in transportation, power, health, education, and various industrial fields. Today, economic development is appropriately the major concern of the people and governments of South and Southeast Asia.

The United States is deeply interested in this development. This interest stems from our basic concern about the unhappy plight of so many in the area. It stems also from our desire that these people not be lost to freedom and democracy through any conviction that communism alone can improve their economic and social well-being. The United States is also interested because of the increased interchange of goods and services that would result from expanding incomes in the area. South and Southeast Asia are important sources

of basic materials which are essential, in growing quantities, to the economic welfare of the Western world. The growing populations in the area can generate a large demand for the goods and services of the more developed parts of the world. Given this mutuality of interest, it is readily understandable that the United States has been cooperating with these countries in their efforts to rehabilitate their economies and push forward their plans for economic development. This Government welcomed the initiative of the countries in the area in formulating the Colombo Plan and readily accepted an invitation to participate in a program devoted to objectives so important to the United States.

Almost 2 years have passed since the publication of *The Colombo Plan for Cooperative Economic Development in South and Southeast Asia*,<sup>1</sup> which presented the development programs of Ceylon, India, Pakistan, and the U.K. territories of Malaya and British Borneo for the 6-year period from July 1, 1951, through June 30, 1957. These programs envisaged a total investment of £1,868 million (about 5.2 billion dollars) in the public sectors of these countries. It was anticipated that £784 million of this total could be provided by the areas themselves over this period, that an additional £250 million would be obtained by drawing down their sterling reserves, and that a residual £834 million (some 45 percent of the total) would be required from other sources as outside aid to the economy of the area.

The development programs under the Colombo Plan have been in operation for a full year.<sup>2</sup> The

<sup>1</sup> British Cmd. 8080 (1950).

<sup>2</sup> See *Report of the Consultative Committee on Economic Development in South and Southeast Asia—Fourth Meeting at Karachi, Pakistan, March 1952*, Department of State publication 4650. This document was prepared prior to the completion of the first full year of the program, but it gives a good over-all statement of the progress attained so far.

year has shown progress that has in many ways exceeded expectations. It has also pointed up specific difficulties which lie ahead. Most important, perhaps, the first year has demonstrated that the Colombo Plan and its "sponsor," the Consultative Committee, are dynamic forces encouraging sound development in South and Southeast Asia.

The Consultative Committee is a unique instrument. The underdeveloped areas of the region present to it their own programs for development. The Committee does not screen these programs; it does not in any sense underwrite them. There is no permanent secretariat. Preparation of country statements for the meetings is the responsibility of the individual countries, with such assistance as they may themselves seek. Annual sessions provide a stimulus for keeping the development programs under review. Development plans are thus not simply studies for publication, but are instead active programs which are adapted to changing circumstances. The meetings constitute a forum for the multilateral discussion of programs and progress in individual countries. An opportunity is thus provided to consider specific problems of general interest and to study successful accomplishment. Much can be learned from the experience in other countries. This process of mutual discussion and of common examination of individual country programs has appealed to increasing numbers of countries in South and Southeast Asia. There is no promise that aid will be forthcoming as a result of the planning efforts, yet additional countries have joined the Consultative Committee and are doing more intensive work on their own development plans. Burma, Cambodia, Laos, Nepal, and Vietnam are now full members of the Consultative Committee. Other underdeveloped countries in the area, notably Indonesia, the Philippines, and Thailand, have sent observers to the meetings. There are prospects that at least some of these may accede to full participation.

All the developed countries which are members of the Committee—Australia, Canada, New Zealand, the United Kingdom, and the United States—do in fact have aid programs in countries of the region. All these programs are carried out through bilateral arrangements. Yet the multilateral discussions provide an excellent opportunity to appraise the relative soundness of the individual programs, the effectiveness with which they may be carried out, and the energy which the various countries of the region are themselves exerting for their own development. The developed countries are thus in an excellent position to learn of the problems at first hand and to help provide some guidance to their solutions. Moreover, the meetings provide an additional channel for correlating the activities of various donor countries in the same underdeveloped area.

Both the International Bank for Reconstruction and Development and the Economic Commission

for Asia and the Far East (ECAFE) participate in the Consultative Committee meetings as observers. Bank experts have surveyed many parts of the area. Its loan operations there are expanding. The Bank is an important source of external finance for the Colombo Plan programs. ECAFE has devoted much study to those economic problems whose solution is fundamental to the development of the countries of the area. Participation by these two international organizations assures advice and guidance from objective experts sympathetic to the region and its problems.

### **The Development Programs**

The programs emphasize transportation, power, multipurpose projects, social services, and agriculture—fields where investment is usually the responsibility of public authorities. The major attention placed upon the public sector does not mean, however, that efforts are not being made to expand private investment. Indeed, it is recognized that expansion in the public area cannot bear full fruit unless it has encouraged an increase in the level and variety of private investment. The ultimate objective, a continuous growth which the economy itself can sustain, can be achieved in most areas only by an increasing proportion of investment in the private sector.

In the original estimates for Ceylon, India, Pakistan, and the U.K. territories, about 70 percent of the total public-investment programs was in the fields of agriculture, transportation, and power. The major emphasis was in the agriculture sector, since improved power and transportation were in many cases essential to the accomplishment of the total agricultural objective. This emphasis still prevails, despite the many changes that have been made in the original programs. Day by day it becomes more evident that this area of the world must make the largest possible forward strides in agricultural development if the countries are to increase their own national income and at the same time contribute to a more stable, expanding world economy.

The specific cost estimates presented in November 1950 for the 6-year period of the Plan are no longer pertinent. Since that time, prices have increased, in some cases substantially. Changes have also been made in the programs themselves. Time has permitted a more complete examination of the needs and potentials in some of the countries. In other countries, there have been changes in emphasis as conditions have varied and as experience has revealed more clearly the nature of the needs. Thus, security conditions in certain areas have improved less rapidly than was anticipated. Current plans in these areas allocate smaller amounts to the investment program because of emergency needs arising from the continuation of war and internal disorder.

Since such changes must be made if the plans



are to be realistic, presentation of comprehensive cost totals in current prices would necessitate frequent recalculations. Recent Consultative Committee discussions were therefore concentrated on the individual programs in the current year and the year immediately ahead. This does not mean that the objectives of accomplishment over the 6-year period have been pushed aside. Rather, it reflects an increasing realization that the goals must be sought under the actual conditions prevailing in each country when specific projects are undertaken.

### *The Newer Members*

Vietnam formulated the general outlines of a long-period development plan, which envisaged an investment of some 550 million dollars in both private and public sectors over the 6-year period of the Colombo Plan. Emphasis was placed on agriculture, transport, and communications. Vietnam anticipated that domestic investment could provide less than half of the total; the residual and larger part would need to come as loan or grant assistance from abroad.

Planning in Cambodia has not yet reached the stage of the Vietnamese programs. A large project was detailed for increasing rice yields, and much consideration has been given to a general program for expanding and diversifying agricultural output. In neither Cambodia nor Vietnam, however, is active implementation of these programs yet possible. Security conditions as well as shortages of trained personnel and funds are largely responsible for the lack of appreciable progress. Development operations have in large part given way to relief activities and to some reconstruction, with particular attention upon housing, health, and transportation.

An 8-year development program is being worked out in Burma, and a 5-year program in Laos. Nepal anticipates the submission of its development program to the 1953 meeting of the Consultative Committee.

### *Ceylon*

Three export commodities—tea, rubber, and coconuts—provide about 90 percent of Ceylon's export earnings and about two-thirds of all employment opportunities. Despite the importance of agriculture, the country must import about 70 percent of all the food it consumes. Basic needs of the people are thus dependent upon foreign-exchange earnings, which are subject to very broad fluctuations. Ceylon's 6-year development program is therefore devoted to a general diversification of the economy, but with particular emphasis upon a large expansion in food output. Agriculture (including multipurpose projects), transport, and communications accounted for about 60 percent of some 285 million dollars of investment contemplated in the original 6-year program submitted in 1950. In the past year, Ceylon has

reconsidered this program and now envisages a greater effort, involving an expenditure in excess of 650 million dollars over this same period. This increase does reflect price rises, but it is principally due to higher goals, especially for agriculture and communications. There is a new program for rural development, and very marked increases are planned in social investment, notably in education and in health.

During 1951-52, investment of almost 85 million dollars was planned. This represents a very significant increase over actual development expenditure in 1950-51, which was close to the average annual rate of almost 50 million dollars contemplated in the original Colombo Plan estimates. The Ceylon budget year runs through September, so the actual expenditure on development during 1951-52 is not yet known. Budgetary and other problems may have prevented the fulfillment of the 85-million-dollar program. There is similar concern with respect to present plans for development expenditure in 1952-53, now envisaged at about 122 million dollars.

### *India*

The Indian program comprised by far the bulk of the development estimates included in the 1950 Colombo Plan report. At the time the report was prepared, a total effort in the public sector of almost 3,850 million dollars was anticipated. However, subsequent analysis of Indian development needs resulted in the formulation of the Five-Year Plan, which has become the basic document for Indian development.<sup>3</sup> This program, which involves higher rates of investment than were earlier contemplated (and higher rates of local contribution to this investment), underlies the Indian presentation now before the Consultative Committee. India's 6-year effort now involves a development expenditure, in terms of November 1950 prices, of almost 4,800 million dollars. The investment program for 1951-52 aggregated about 710 million dollars, which is well in excess of the figure for 1950-51, and of the average annual program anticipated in the earlier Colombo Plan figures. Further changes in the program are being formulated. Thus, a major venture into community development is not included in the present estimates. This basic program can be expected further to alter the cost calculations as well as the expected achievements of the program.

Despite these revisions, the major objectives of the Indian program have not been altered. The program is still basically devoted to an increase in domestic food output, with the goal of both eliminating India's large dependence upon imported food supplies and increasing the present low

<sup>3</sup> *The First Five Year Plan, A Draft Outline*, Government of India, Planning Commission, New Delhi, India, July 1951.

levels of average food intake. As the programs have evolved, this food goal has become more important, with ever greater emphasis upon grain output at the expense of increases in nonfood agricultural products. However, significant progress in agriculture requires significant development in other fields, notably power and irrigation. The Indian program thus contemplates large expenditures for multipurpose projects. Present expectations are for a further increase in the level of investment to about 854 million dollars for the fiscal year 1952-53.

### *Pakistan*

At London in 1950, Pakistan presented a 6-year development program which involved expenditure of about 660 million dollars in the public sector and some 120 million dollars in private projects. Major concentration was on agriculture, transportation, and power. The program contemplated somewhat more emphasis upon the industrial field than was true in other countries. The entire development plan, however, was admittedly based on a very hurried assessment of development needs and potential. Subsequent analysis has prompted important changes. An over-all revised total for the 6-year Colombo Plan period has not as yet been developed. However, a more detailed examination of essential development activities in 1951-52 and 1952-53 indicated that the outlay required in the public sector in these 2 years alone will be of the magnitude earlier anticipated for the 6-year period. The increases in part reflect the inadequacy of the earlier cost investigations. Thus, a single multipurpose project has already involved greater expenditure than was originally contemplated for a related group of them. Moreover, the years have brought a need for additional expenditures not originally envisaged. In a single year Pakistan invested almost 70 million dollars in refugee resettlement. It had originally anticipated a total outlay under 90 million dollars for the entire 6-year period and for all social capital, including the refugee requirements.

Investment was programed at about 325 million dollars for 1951-52 and at about 335 million dollars for fiscal 1953. Full information on development performance in the past year is not yet available. The planned level, however, was a multiple of the actual development activity in 1950-51.

### *United Kingdom Territories in South and Southeast Asia*

The economic problems in the Federation of Malaya, Singapore, Sarawak, and North Borneo vary considerably. The common objective of undertaking projects to improve the economic position of the people of these areas implies for Singapore a program most heavily concentrated on social improvements, especially in housing, health services, and education. However, in the

Federation of Malaya and in Sarawak and North Borneo, development programs again show the importance attached to improvements in agriculture and to the extension of transportation, communications, and power facilities. The territories as a whole have an economy which is strongly oriented toward the output of rubber and tin. They have experienced wide variations in export earnings as prices of these commodities have fluctuated. There is again the familiar problem of providing a broader basis of consumer supplies domestically and a diversification of the economy through the more efficient use of the region's resources.

Originally, the total development contemplated in the area over the 6-year period aggregated some 300 million dollars. Changing conditions, both in the world economy and in the security situation in this area, have necessitated revisions in these estimates. The Federation of Malaya has stepped up significantly its program of rural development in order to provide resettlement for the population in areas menaced by the terrorists. There is a stepped-up effort in the field of housing, as well as an expanded concentration on road building. In 1952-53, it is expected that about 67 million dollars will be spent for development, as against 50 million dollars in 1951-52 and 36 million in 1950-51. Further increases in these expenditures are now visualized for subsequent years. In these territories emphasis on a public-investment program for diversifying the economy and for the expansion of such basic facilities as transportation and communication is in no sense an alternative to further investment in rubber, timber, and mining. Private investment is expected to continue at a high level in these areas. Indeed, the public-development program should provide some spur to private investment.

### **Financing the Program**

The development programs were submitted in the expectation that they could be fulfilled. With respect to finance, this meant that the countries looked first upon the resources they themselves could devote to investment in the public sector of their economies. For the additional resources needed, they relied upon reasonable rates of utilization of their accumulated sterling reserves and upon that amount of foreign assistance that they hoped might in fact be available as loans or grants from abroad. Ceylon, India, Pakistan, and the U.K. territories planned an investment of 870 million dollars on the average for each of the 6 years. Of this sum, local resources would provide 365 million dollars, sterling releases about 115 million dollars, and other foreign financing some 390 million dollars. Since the last amount, 45 percent of the total, significantly exceeds the volume of loans that the countries expect to attract during each of these years, heavy reliance has been placed on

grant aid. Indeed, the revisions and expansions made in the original estimates in some countries have actually increased this dependence. On the other hand, the most dependable source of financing is the contribution by the developing countries themselves. Moreover, the determination with which these countries further their own development with their own resources is frequently a factor in the willingness of other countries to provide grant aid. Foreign assistance can play only a supplementary role in the combined effort toward a mutually desired objective. It is obviously important that the Colombo Plan countries make the largest possible contribution to financing their own development.

### *Local Investment*

The maximum level for such contributions cannot readily be determined. National incomes in these areas are small; they are very low on a per-capita basis. This suggests that, on the average, there is not a large margin for savings above even the minimum requirements for per-capita consumption. However, there is little firm statistical basis for indicating just how large these savings are or can be. The local contributions to investment in the public sector are of course effected through government expenditure. The government can make these contributions from resources raised by taxation in excess of revenues needed for current expenditures, from the profits on government-owned enterprises, from money obtained directly from the public on loan issues, or indirectly through borrowing from the banks and other financial institutions.

On the tax front, major efforts have been made in different countries both to increase the effectiveness of the existing tax laws and to expand the tax base. Experience alone will tell whether still greater efforts will in fact result in net increases in revenues. On the borrowing side, too, increasingly ingenious techniques have been developed for reaching savings which are not being effectively utilized. Here also, however, it is difficult to know when such government borrowings begin to interfere with the demands of private investors, or indeed of consumers themselves. There is certainly some point at which the borrowings exceed the savings of the country or in any event fail to encourage any expansion in usable resources. The danger of inflation is a constant fear of the underdeveloped countries. Inflation can undermine the very development objectives which prompted the increased governmental expenditures. But there is also the danger that governments seeking development may be discouraged from such "borrowings" long before they have reached a stage where inflationary pressure really constitutes a menace to the stability of the economy or to the development program.

In the first year of the Colombo Plan, total development expenditure in Ceylon, India, Pakis-

tan, and the U.K. territories may have been close to 1,200 million dollars, in contrast to the average of 870 million dollars contemplated in the original programs. This difference is due almost entirely to the larger contribution from the countries themselves.

This impressive performance in local financing was made possible by several developments which could not be foreseen at the time the original program was planned. The conflict in Korea had a marked effect on international commodity markets. These countries are important sources of rubber, tin, jute, vegetable oils, and other products, the demand for which expanded tremendously. During 1950-51, therefore, very large export earnings, coupled in some cases with a tendency toward reduced imports, resulted in unexpectedly large surpluses in foreign exchange. Government revenues also increased, primarily as a result of expanded tax returns and, in particular, expanded duties on exported commodities. A gross investment program of some 700 million dollars was thus carried out in 1950-51 without any appreciable capital from abroad. Indeed many countries entered the fiscal year 1951-52 with an increase in government cash balances and in foreign-exchange reserves. It is this improved condition which in considerable measure accounts for the development performance in 1951-52.

By the end of the year 1951-52, however, many of these factors were less favorable. Price declines for exports, coupled with a persistent increase in the cost of imported goods, resulted in heavy drains on foreign exchange. Government budgets began to show deficits on current account even before the end of the fiscal year. Present plans for 1952-53 involve outlays some 200 million dollars greater than the large investment total in 1951-52. At the fourth meeting of the Consultative Committee in Karachi, most countries indicated that their requirements for external aid in 1952-53 would be larger than in 1951-52. At the moment, however, the prospect for loan and grant assistance from abroad does not suggest a total in excess of that in the previous year; indeed, even that level may not be attained. Successful development accomplishment in fiscal 1953 will thus require outstanding achievement in the mobilization of local resources. There will be ample opportunity to test the effectiveness of various measures for raising local currencies. In many ways, the experience of the months immediately ahead may provide a real index of accomplishments to be expected in the remaining years of the Colombo program.

Ceylon, India, and Pakistan hold large sterling balances. These represent past savings, largely accumulated during the war years. By specific agreements with the United Kingdom, these countries anticipate that they will utilize about 700 million dollars of these reserves in their development efforts over the Colombo Plan period. While these

are "local" resources, they are particularly important because they can be used for foreign purchases. During 1951-52, about one-sixth of the agreed total was in fact utilized. Rates of actual expenditure in the future will be governed not only by the development needs of the three countries but also by the general problems confronting the sterling area of which they are members.

### *Foreign Financial Assistance*

The International Bank has made development loans to India and Pakistan. A Bank mission visited Ceylon, but Ceylon has not yet requested that any loan discussions be initiated. Through 1951-52, drawings on existing credits of the Bank have totaled about 45 million dollars. On the grant side, Australia made available almost 20 million dollars, Canada, 25 million, and New Zealand, 2.8 million. United States assistance aggregated about 250 million dollars, including the emergency wheat loan to India of 190 million. (In addition to the 250 million dollars, U.S. grant assistance to Burma, Cambodia, Laos, and Vietnam totaled almost 40 million for 1951-52.) The United Kingdom, in addition to its agreement to the release of sterling balances, is providing essentially all the external grant aid for its territories in the area. A specific figure for this aid in 1951-52 is not available, but the United Kingdom has committed some 170 million dollars for this purpose over the 6-year period. Mention might also be made of the fact that the Ford Foundation began operations in the area during 1951-52; it anticipates annual expenditures of about 5 million dollars for a period of years.

Foreign financial assistance to Ceylon, India, Pakistan, and the U.K. territories was thus in the vicinity of 350 million dollars during the first year of the Colombo Plan program. Present preliminary estimates for 1952-53 suggest a considerably smaller total. Drawings from International Bank credits may reach a level of about 45 million dollars. Although it is possible that new credits will be negotiated during 1952-53, a significant increase in annual drawings cannot be expected. Loans are limited by the capacity to repay, which is far short of the investment needs indicated in the 6-year programs. Grants from the Commonwealth contributors are expected to be of the same magnitude as they were in the preceding year. U.S. aid to countries in this area will be less than the previous year's total, at least by the amount of the emergency wheat loan to India. To some extent, however, financial assistance in prospect for 1952-53 will be augmented because full use had not been made of the 1951-52 aid contributions during that year.

Financial assistance to the underdeveloped countries in South and Southeast Asia has, of course, been provided on a bilateral basis. Apart from the exchanges at Consultative Committee meetings, coordination among the donor countries is

effected in the capital of each recipient country. To date, such coordination has been of a most informal nature; in particular, there is no over-all approach on the part of the donor countries as to the "best method" of making aid available. Some contributions are concentrated on the completion of a full project, including the cost of both imported and domestically produced goods. Other programs have supplied consumer goods, notably wheat. This released for other purposes the foreign exchange that would otherwise be used for wheat imports, while facilitating the noninflationary acquisition of local currency by the government through its sale of the wheat. Apart from the direct U.S. loan to India for wheat (the sales proceeds of which should also facilitate the problem of availability of local currency for development), the U.S. aid has tended to be confined to expert services, capital goods, and producers' supplies. In most countries, the United States also expects that its contribution in these forms will be at least matched by local resources which will be utilized at the discretion of the authorities of both countries who supervise the over-all program.

Foreign assistance fills a deficit in the essential requirements of these countries for their development needs. It may also serve as a catalyst to encourage expanded efforts on the part of the recipient government. Thus, supplying capital goods exclusively may have some advantages, if such goods should induce an incremental contribution of the local resources needed to make these imported goods effective in the economy. Similarly, there is an obvious danger to providing consumer goods in order to put into the hands of central authorities local currency if this should diminish their efforts to mobilize incremental amounts of local resources. On the other hand, situations can be foreseen in which it is precisely the shortage of consumer goods which is a bottleneck to expanded development activity.

### *Technical Assistance*

Successful implementation of the development programs in the Colombo Plan countries requires not only additional capital but a significant injection of imported technical knowledge. This has been fully recognized in the Colombo Plan. Indeed, there is associated with the program a Council for Technical Cooperation in South and Southeast Asia, which provides an additional source of technicians to member governments. The United States is not a member of this Council, which has its headquarters at Colombo, although the United States maintains close liaison with it through the Embassy at Colombo. The Council supplements technical facilities made available through the United Nations and through other bilateral programs. Also, the Council is a mechanism which encourages mutual exchange of know-how among the underdeveloped countries themselves. India, Pakistan, and Ceylon are providing training

facilities and experts to one another in fields in which each has some special competence and experience.

The countries of South and Southeast Asia have made extensive use of the various technical facilities available to them. By the end of fiscal 1952 some 33 experts were operating in Ceylon, and arrangements had been completed for the training abroad of about 100 persons. Technical specialists are operating in practically every sector of development in India, from basic agricultural activities to advanced scientific fields. In addition, training facilities have been set up in various research institutions. This pattern is general throughout the area.

All the countries in the area recognize that their public development programs constitute only one sector of their over-all development activity. Private investment competes with government for materials and for the savings of the country. Nonetheless, there is general recognition that continued growth in the national product and continued increases in per-capita income will require an expanding rate of investment throughout the economy, particularly in such fields as industry and trade, which are usually dominated by private entrepreneurs. The disproportionate concentration upon development in the public sector in the early years of the Colombo Plan is considered necessary for the subsequent growth of private investment both by nationals and from abroad. Private foreign investment constitutes the only source of continuous long-period external contributions to the economy. The Pakistani program includes in its industrial category projects which will, at least in part, be privately financed. In the Indian estimates, there is explicit recognition of a rate of private investment which India feels should be maintained concurrently with the expanded program in the public sector. Private investment plays a large role elsewhere, particularly in the specialized export crop regions in Ceylon and in the U.K. territories in this area. It can be expected that later sessions of the Consultative Committee will devote increasing attention to the prospects for an expansion of private investment.

#### **Future Prospects of the Colombo Plan Programs**

The Karachi meetings in March 1952 ended with a note of cautious optimism regarding the future outlook. It was recognized that "the plan has got off to a good start." In the countries which had already submitted detailed programs, public investment in the first year averaged almost 70 percent above investment of the previous year and was in general at a higher level than the average rate contemplated in the original programs. The countries anticipated a further increase of about 20 percent in investment in the public sector for the year 1952-53.

While all realized that the very nature of basic

investment in the public sector meant that results need not be apparent in the short run, real achievements were indicated. For example, the main dam on the Gal Oya irrigation program in Ceylon was almost completed. Together with other projects already begun, this project is expected to bring under irrigation about 45,000 additional acres by the end of 1953. Ceylon had also completed the first stage of a major hydroelectric scheme which provides a generating capacity of 25,000 kw. Work was initiated on two additional projects of comparable size. Port improvement and industrial plant expansion had also been started during 1951-52. In the Indian program also much was accomplished on power and irrigation projects. Such projects as the Nangal Barrage, the Bokaro Thermal Station, and the Tungabhadra Irrigation Project and similar works in West Bengal mean that there will soon be a large increase in lands under cultivation or a substantial expansion in the yields of existing crop lands. A fertilizer plant and a locomotive works have been completed, or practically so. Similarly, the Pakistani Government has finished the main work on the Thal Irrigation Scheme, and there is every expectation that the first phase of the Lower Sind Barrage Project will be completed by the end of 1953. There is also considerable progress in hydroelectric projects and some industrial establishments. Work has been begun on the Singapore Power Station. A major resettlement in newly constructed villages is nearing completion in Malaya, and there is heartening progress in agricultural rehabilitation in Borneo and Sarawak.

The Consultative Committee recognized that continued success in the 1952-53 program, and indeed for the remaining years of the 6-year plan, would require the continued cooperation of all member governments, but it stressed that the chief responsibility was upon the developing countries themselves. It also pointed to certain imponderables. The future course of prices, for example, might have a decisive bearing on the ability of these countries to continue large-scale investment, but their own ability to influence these prices was limited. The Committee stressed the need for continued sympathetic cooperation on the part of the donor countries with respect to both technical and financial assistance.

The Consultative Committee offers a unique medium for mutual discussion of development programs in the area. It has already given evidence of the realistic spirit with which the planning countries approach their objectives. The plans are considered not sterile blueprints but flexible means for achieving development goals. The changes already made in the programs show a willingness to alter these goals as conditions make necessary this type of action. The Committee sessions provide ample evidence that the consultations can lead to improvements in procedures, and in particular to a reappraisal of

the contributions that the country itself might make to development. The Consultative Committee provides a forum in which the United States and other countries can raise questions as to the adequacy of the plans with respect to objectives which we consider important, such as the level of food output, the nature of industrial programming, the role of private enterprise, and the degree of self-help measures. Most important of all, the tradition already established at the Consultative Committee meetings, as well as the philosophy underlying the Colombo Plan, disassociates the specific discussion occurring at the meetings from any governmental commitments. These latter remain entirely within the area of bilateral discussions.

The United States Government has frequently indicated its full recognition of the importance of economic progress in the countries of South and Southeast Asia. Through various actions, including financial assistance, the United States Government has expressed its willingness to cooperate in this development. Our interest stems from the belief that world peace will be served if these countries remain members of the community of free nations. This area is of direct importance to the United States as a source of essential imports and as a market for our products. Moreover, it has in the past been, and will need to be on an even larger scale in the future, a source of basic foodstuffs for other parts of the world. Improved economic conditions in this area may thus be essential to the restoration of a healthy world economy. The U.S. interest would thus prompt the continuation of our cooperative attitude toward the Colombo Plan. Such a spirit can contribute much to the prospects for successful accomplishment of the development objectives in South and Southeast Asia.

• *Mr. Malenbaum, author of the above article, is chief of the Investment and Economic Development Staff, Department of State. He served as U.S. representative to the Officials' Meeting of the Colombo Plan Consultative Committee at Karachi, Pakistan, in March 1952.*

## **First Anniversary of Japanese Peace Conference**

*Statement by John M. Allison,  
Assistant Secretary for Far Eastern Affairs*

Press release 702 dated September 8

One year ago today, 48 nations and Japan signed in San Francisco a treaty of peace which brought to an official end the war in the Pacific. This treaty came into force on April 28 of this year, upon the deposit of the required number of instru-

ments of ratification with the U.S. Government in Washington.

The United States insisted that the Treaty of Peace with Japan should be a liberal one—one which would contain promise for the future and not the seeds of future wars. This treaty broke new ground in international relations. As the distinguished Foreign Minister of Pakistan said, it opens "to Japan the door passing through which it may take up among its fellow sovereign nations a position of dignity, honor, and equality. . . . It is evidence of a new departure in the relations of the East and the West as they have subsisted during the last few centuries."

I congratulate Japan on this anniversary. May she live in peace with all nations and all nations live in peace with her.

## **Compensation to Jewish Victims of Nazi Persecution**

*Press Conference Statement by Secretary Acheson*

Press release 713 dated September 10

The United States Government is pleased that the negotiations which have been in progress at The Hague between representatives of the German Federal Republic on the one hand and representatives of Israel and the Conference on Jewish Material Claims on the other have resulted in the agreements which were signed in Luxembourg today. It is the hope of the United States that these agreements will be ratified without delay.

It is significant that the first article of the Constitution of the new Germany is a recognition of the dignity and the inalienable rights of man. The resolution adopted by the German Bundestag on September 27, 1951, is a moving tribute to the determination of the German people that those rights shall not again be violated and to the decision to purge themselves of the wrongs inflicted on millions of innocent people. The agreements concluded today are a material demonstration of the resolve of the vast majority of the German people to make redress for the sufferings of the Jews under the Nazis.

## **Current Legislation on Foreign Policy**

Third Special Report on the Operations and Policies of the International Monetary Fund and the International Bank for Reconstruction and Development. Message From the President of the United States Transmitting the Third Special Report on the Operations and Policies of the International Monetary Fund and the International Bank for Reconstruction and Development in Accordance With Section 4 (b) (6) of the Bretton Woods Agreements Act. This Report Covers

the 2-Year Period Ending March 31, 1952. H. doc. 522, 82d Cong., 2d sess. 18 pp.

**St. Lawrence Seaway and Power Project.** Communication From the President of the United States Transmitting the Application to the International Joint Commission, Dated June 30, 1952, for Approval of Certain Works in Connection With the St. Lawrence Seaway and Power Project, and an Exchange of Notes, of the Same Date, Between the Canadian Government and our Own Concerning the St. Lawrence Project. H. doc. 528, 82d Cong., 2d sess. 9 pp.

**Sixth Semiannual Report of United States Advisory Commission on Information.** Letter From Chairman, United States Advisory Commission on Information, Department of State, Transmitting the Sixth Semiannual Report of the United States Advisory Commission on Information, Dated July 1952, Pursuant to Section 603 of Public Law 402, Eightieth Congress, An Act To Promote the Better Understanding of the United States Among the Peoples of the World and To Strengthen Cooperative International Relations. H. doc. 526, 82d Cong., 2d sess. 30 pp.

**The Katyn Forest Massacre.** Hearings Before the Select Committee To Conduct an Investigation of the Facts, Evidence, and Circumstances of the Katyn Forest Massacre, Eighty-Second Congress, Second Session, on Investigation of the Murder of Thousands of Polish Officers in the Katyn Forest Near Smolensk, Russia. Part 5 (Frankfurt, Germany) April 21, 22, 23, 24, 25, and 26, 1952. Committee print. 392 pp.

**Report on Audit of the Institute of Inter-American Affairs For the Year Ended June 30, 1951.** Letter From the Comptroller General of the United States Transmitting the Audit of the Financial Statements and Accounts of the Institute of Inter-American Affairs for the Year Ended June 30, 1951, Pursuant to Government Corporation Control Act (31 U. S. C. 841). H. doc. 491, 82d Cong., 2d sess. 15 pp.

**Repeal of 3 Cents Per Pound Processing Tax on Coconut Oil.** Hearing Before the Committee on Ways and Means, House of Representatives, Eighty-Second Congress, Second Session on H. R. 6292, A Bill To Amend Certain Sections of Chapter 21 of the Internal Revenue Code, and for Other Purposes. Committee print. 118 pp.

## Appraising the Growth of the Point Four Program

*Statement by Secretary Acheson*

Press release 707 dated September 8

Two years ago today, at the direction of the President, the State Department assumed responsibility for the operation of the Point Four Program of technical cooperation and economic development.

On that occasion, the President stated that—

This program will provide means needed to translate our words of friendship into deeds. . . . By patient, diligent effort, levels of education can be raised and standards of health improved to enable the people of such areas to make better use of their resources. Their land can be made to yield better crops by the use of improved seeds and more modern methods of cultivation. Roads and other transportation and communication facilities can be developed to enable products to be moved to areas

where they are needed most. Rivers can be harnessed to furnish water for farms and cities and electricity for factories and homes.<sup>1</sup>

Many of the potentials which the President saw in Point Four 2 years ago are becoming realities today. The Program is in action in 35 countries of Asia, Africa, and Latin America. More than 1,200 "shirt-sleeve diplomats" from all walks of American life are joining forces with some 13,000 foreign technicians in the attack on hunger, poverty, and disease. Each project is based on whole-hearted collaboration, and no project is begun unless the requirement of freely given and freely received cooperation is met.

The outpourings of the propaganda machine in Moscow and in the satellites would have the world believe that the United States is engaged in "warmongering" and that its Point Four Program is an "imperialist plot." Point Four is indeed a joint declaration by the United States and its partners in the free world attacking conditions of poverty and stagnation which have thwarted the will to a better life. This is the only kind of "warmongering" that Moscow and its spokesmen can cite with truth.

The fact that Communist criticism of the Program has grown in intensity with each succeeding month is one indication that Point Four is achieving results, solid visible results in terms of better crops, safe water supplies, new health services, more schools and teachers, and many signs of local initiative among village people.

There are many examples of the way in which millions of people regard Point Four cooperation. I mention one recently told me by Stanley Andrews, the Administrator of the Program. A letter signed by the elders of an Iranian village reads:

Lately an organization under the name of Point Four has started beneficent activities for the welfare of our people in different parts of this country.

Among these parts, poor and knowledge-loving people of the village of Dastgerd-Hhjar have been taken into consideration by this organization. Our preliminary school has been completed and a new Health Center according to modern methods and principles of hygiene has been constructed.

Therefore, we, the people of the village of Dastgerd, express our gratitude to the well wishing and philanthropic people and Government of the United States of America and the Point Four Organization in Iran; and hopefully request that other requirements of our thankful people which come under [the] Point Four Program will be considered by this organization and thus increase our ever sincere gratitude.

While Point Four does not seek gratitude, it welcomes concrete indications that its Program is steadily strengthening the human and material resources of the free world and encouraging the growth of free institutions through which peoples can develop their respective cultures and ways of life.

<sup>1</sup> BULLETIN of Sept. 25, 1950, p. 499.

## Point Four's Impact on the Middle East

*Remarks by Cedric H. Seager  
Chief, Iran Division, Technical Cooperation Administration<sup>1</sup>*

The Middle East is probably as good a testing ground as any to prove the work of Point Four. That its impact has already been felt has become apparent, as I will seek presently to demonstrate. But before I do that, let me try and clear away some of the misconceptions about the work of Point Four that keep cropping up time and again.

We do not seek to woo the underdeveloped peoples of the world with our money. We are not, in fact, a big-money program. We do not seek to buy alliances. We do not try to ram our culture down other people's throats. We do not attempt to make nations in our own image.

We do not pretend to be other than the fortunate heirs of a great tradition; a tradition of freedom and independence that itself stems from the area which we are gathered here today to discuss. Our aim is to share that heritage with other free peoples of the world.

We do acknowledge, humbly, the privileges that are ours. We do recognize, without boastfulness, that in an incredibly short space of time we have attained to the highest living standard ever enjoyed by any people anywhere. The disparity between our wealth and the desperate poverty that prevails in the Middle East, and over so large a part of the world, is one reason why Point Four has assumed obligations aiming toward the closing of that gap. A further reason is the menace of communism, which exploits misery and feeds on despair.

Point Four was born of our realization that want is a scourge not to be tolerated in a free world; that the ramparts of liberty are not proof against the injustice of needless poverty and curable disease; and that our way of life, born of free enterprise and richly endowed by the marvels of modern science, is a way of life open to all mankind once intolerance and tyranny and naked greed are unmasked.

Our recognition of the factors making for hunger and want is shared by the great majority of mankind. Ours is no new discovery. As Dr. Henry G. Bennett<sup>2</sup> often said: "A billion people have found a window into the Twentieth Century. It is up to us to provide them a door."

In the area of which we speak, which is the threshold to Communist Russia, lives a multitude of fine people. Progress has passed them by. Imperial subjugation for long centuries held them in thrall. The evils of feudalism perpetuated their misery. In their awakening consciousness of the needless want which they have so long suffered, they are ripe for revolution or for the orderly, sustained process of dignified evolution. Communism seeks to exploit the bloodier means of revolt; it is our privilege to demonstrate the fruits of a more orderly growth, a less explosive escape from the shackles of poverty and disease.

If there is one thing that we insistently proclaim, it is our detestation of communism and all its works. We make no secret of that, as we labor in the Middle East or wherever in the world hunger and despair offer fertile soil for the poisonous seeds of communism.

We know that if the door of opportunity is left closed for a billion people, despair will grow as freedom dies. Those things that have made us great provide the key. Men need not die in their thirties; a nation's per capita income can be immeasurably increased by the application of modern skills to industry; starvation can be replaced by plentitude if all that we have learned in our country of improved agricultural methods can be applied in countries where such knowledge is still a closed book.

The Communists decry our aims because they fear them. Their very fears confirm the worth of what we are doing. The measure of our success will be the measure of their failure.

<sup>1</sup> Made on Aug. 28 before the American Political Science Association at Buffalo, N. Y.

<sup>2</sup> Former Administrator of the Technical Cooperation Administration, who died in a plane crash in Iran on Dec. 22, 1951.



## At the Village Level

We have already established a partnership of common enterprise with the nations of the Middle East. We are working together. On the shores of the Caspian Sea, right up against the frontier of Russia, our men and women are working at the village level with the men and women of Iran. By technical training and by demonstration, the people are being taught how to combat disease, how to raise their standards of personal and community hygiene, and how to eradicate malaria and other scourges.

At the village level again, through the development of water resources and by demonstrating improved agricultural methods, the fruitful seasons are being lengthened, rotation practices introduced, and the benefits of mixed farming exemplified.

All this, on the doorstep of Russia. All this, where people have been stirred to renewed anger by economic disaster. All this, uninterruptedly while crowds rioted in the streets of Tehran. Contrary to belief in many quarters, our labors in Iran have been unimpeded by the succeeding crises of recent months. We have good reason to believe, in the light of recent experience, that they will continue unimpeded.

Does that argue that the impact of Point Four is having effect? I think that it does.

Is this surprising? I think that it is not.

There is a movement growing in the Middle East that is of the very essence of our philosophy. Dr. Bennett preached it; Dean Acheson proclaimed it. On the occasion of the Food and Agriculture Organization Conference in Rome in November 1951, Secretary Acheson said:

. . . You are talking here, you are working here dealing with resolutions on the subject of land reforms. That is a matter which we in the Department of State have believed is absolutely foremost in our whole international relations. . . . Landownership reform alone is not enough. Along with it have to go institutions for credit, proper taxation and things with which you are more familiar than I. It is in this front in which we really meet and grapple with the misleading slogans of communism, and therefore we in the Department of State have from the very beginning urged that this matter of land reform should become a primary objective within our own country, in our international relations and in those areas of the world which are now the battleground between freedom and communism. . . .<sup>3</sup>

## Conference on Land Reform

In the fall of that same year, 1951, a short 12 months ago, Point Four had helped sponsor an international conference on land tenure at the University of Wisconsin, attended by political and agricultural leaders from all over the world.

For most of these eminent leaders, many from the Middle East, land reform was a wishful dream

12 months ago. Where does it stand today? Read your newspaper headlines. It has been front-page stuff these past few weeks.

Last spring, a Point Four expert spent 9 weeks in Iran working out with the Royal Commission on Crown Lands Distribution a detailed plan for enabling peasants on the lands of the Shah to become independent landowners. The program will eventually install 50,000 peasants on farms of their own. Principles of supervised credit, cooperative services, training, demonstration, and organized self-help are embodied in the plan. Premier Mosaddegh has recently announced his support of a land-reform program of even greater magnitude; and we have concluded with his Government a project calling for joint support of the Development Bank to extend low interest-bearing credit to peasants and to establish, in cooperation with the Ford Foundation and the Near East Foundation, a supervisor training school for the tremendous task that now awaits us at the village level. An American will direct that school and an American financial adviser will assist the Development Bank in carrying out that vast scheme. Prominent in this movement for land reform in Iran, and member of the Crown Land Distribution Committee, is Assadollah Alam, who attended the Wisconsin conference.

## Significant News From Egypt

Significant news comes out of Egypt, where momentous events have recently taken place. Clean-up reformer, General Naguib, has declared that land reform is Egypt's most imperative and pressing necessity. The time is too early to guess at the progress that surely will be made, but the intention is clear and the announcement bears the ring of sincerity. In Cairo at this time, to give guidance as needed, is Point Four's leading land-reform expert; it is no accident that he happens to be there at this auspicious moment.

Back of General Naguib, a leader in General Naguib's land-reform movement is Mohamet Abdel Wahab Ezzat, who also attended the Wisconsin conference.

Is it a coincidence that these events have taken place during the period of Point Four's application to the problems of the Middle East? To stamp them as coincidence would be to belittle the value of the doctrines we proclaim; and, of course, they are not coincidence. They are the very essence of our impact upon the Middle East, the first rays of the dawn of the era to which we aspire.

I could speak of education, natural resources, and other programs in Saudi Arabia. I could speak of our work for the lonely and oppressed who have found sanctuary in Israel. I could speak of public health and economic and agricultural development in Iraq. I could speak of water resource and hydroelectric power projects

<sup>3</sup> BULLETIN of Feb. 11, 1952, p. 200.

in Lebanon.<sup>4</sup> I could speak of irrigation and agricultural extension in Jordan. I could speak of projects and plans and American men and women at work and of enthusiasms shared, of students and leaders brought to this country, of lasting friendships made, and of the sum of all our early efforts—all adding up to a profound impact on the Middle East, that area so vital to our civilization.

But, above all, I take pride in the worth of the effort we are putting forward; an effort that is cast in the best of American traditions; an effort that will end, though we know not when, in the sure downfall of communism and the birth of a more glorious age.

## Point Four Health Units Reach Iran

Press release 722 dated September 12

Three large mobile health coaches, fully equipped as clinical laboratories for the use of the joint Point Four-Ministry of Health program in Iran, were displayed September 10 in Tehran.

The traveling units were inspected by the Iranian Minister of Health, Dr. Saber Farman Farmanian; Senator Adl-Almolok Dadgar of Ghorghan; Point Four Director William E. Warne, and various other guests and officials of the Iranian Government and members of the Point Four Health Division.

Dr. Farman Farmanian said:

My Ministry and the Iranian Government express thanks for another example of the continuing help Point Four has extended to the development of Iran. The most important element of the health program has been the cooperation and complete understanding between Point Four and the Ministry. Through this cooperation many Iranian villages lacking public-health facilities will have access to improved health conditions for the first time through such activities as mobile health. However, this represents only the beginning of an expanded public-health program and future smaller units will cover the country where larger units cannot travel.

Senator Dadgar said:

Iranians will always remember what America is doing through Point Four to assist in the development and improvement of Iran by the factual evidence of projects like the mobile health program. We can learn from the American example of humanity. They are willing to leave the comforts of their own country to assist others in Asia, Africa, and throughout the world to better living conditions. America, through Point Four, is a living example of showing people how to help themselves.

The mobile units will be assigned to the Tabriz, Babolsar, and Tehran regions for five primary purposes: health survey, treatment, inoculations, public-health education, and initiation later of the

country-wide health program with permanent clinics.

Unit teams include a doctor, a nurse, a midwife, a laboratory supervisor and assistant, a records assistant, and a driver. The vehicles contain an air-conditioned laboratory, dispensary, and examination-inoculation room with complete equipment. The units will travel in provincial areas, stopping at centrally located villages which do not have medical facilities. They will show films and posters, distribute pamphlets, and demonstrate improved health conditions.

The primary emphasis in the Point Four health program in Iran is to train Iranians in modern public-health methods. The program is carried out in complete cooperation with the Ministries of Health in the ten *ostans* (provinces). Point Four furnishes technical and administrative assistance and provides equipment. The Health Ministry also supplies technical personnel.

Comprehensive training under the program includes:

- Nurses—on-the-job training
- Laboratory technicians—training at the University
- Sanitation aides—boys working in public health, water treatment, DDT spraying, bathhouse construction in villages
- Health visitors—girls instructed in hygiene practices in villages

## Iranian Student Assistance Continued by Point Four

Press release 723 dated September 12

More than 800 Iranian students will be able to enroll in American colleges this fall under a continuation of the student-assistance program inaugurated last spring through Point Four.<sup>1</sup> This program was established to provide dollar exchange to students whose normal source of funds had been cut off by currency restrictions which the Government of Iran felt it necessary to adopt because of the shortage of dollars in Iran.

An agreement extending the project for a year, to August 31, 1953, has been signed in Tehran by William E. Warne, Director of Technical Cooperation in Iran, and Mehdi Azar, Iranian Minister of Education.

The parents and sponsors of the students make rial deposits in Iran to the Technical Cooperation Administration for dollars which TCA provides in the United States to the students, at an established rate of exchange. The rial deposits are used by TCA in Iran for local costs of Point Four projects in that country. The plan provides the only means of keeping most of the Iranian students in American colleges, as dollar exchange would not otherwise be available.

<sup>4</sup> For an article on this subject, see Department of State FIELD REPORTER, July-August issue, p. 16.

<sup>1</sup> BULLETIN of Apr. 28, 1952, p. 659.

Under this program, dollars are provided for maintenance, tuition, and collateral educational expenses to Iranian students who meet set eligibility requirements. Most of the Iranian students are studying technical subjects such as agriculture, engineering, and medicine. From their ranks will come much of the technical and professional leadership that will be required in Iran in the years ahead.

On the occasion of signing the new agreement, Minister Azar said:

I wish to express the appreciation, not only of my ministry and Government, but also of the parents and relatives of young people directly benefited. Most Iranian students now go to the United States, whereas they once went to Europe. This will bind us closer in lasting friendship.

Approximately 700 thousand dollars was utilized in a similar exchange program under the first agreement, which covered the period of March 21 through August 31, 1952.

Each participating student is checked by the Ministry of Education in Iran, which issues a certificate of eligibility to the sponsor, enabling him to deposit rials to the student's account. The Near East Foundation in New York City obtains from the college a certification that the student is enrolled and in good standing. The Near East Foundation, acting as an agent under contract with TCA, actually makes the dollar payments to students. It is expected that about 1,800,000 dollars will be disbursed through the current year's program.

U.S. Ambassador Loy W. Henderson said, in announcing the extension of the agreement:

Among the many programs the United States has undertaken in Iran, the student aid program is one of the best accepted and most appreciated. I feel certain that these students will be good citizens of Iran and will assist in building up the country on their return.

The students are attending approximately 200 different schools, but more than half of them are enrolled at New York U., Columbia U., Syracuse U., U. of California, U.C.L.A., Los Angeles City College, U. of Southern California, Indiana U., the U. of Nebraska, Utah State Agricultural College, and the U. of Maryland.

## **Point Four Study on Key Land Problems**

Press release 699 dated September 5

Means of furnishing credit to increase ownership of land by individuals in underdeveloped countries and to improve methods for its use are under close study as a Point Four project. Representatives of 34 countries throughout the world will complete 2 months of investigations in the United States with a series of meetings with

Washington officials held from September 29 to October 2.

The effort to make clear every phase of credit operations pertinent to progressive transition of land ownership and operation is a project of the Technical Cooperation Administration of the Department of State and the Mutual Security Agency.

It began on August 4 at the University of California, in Berkeley, as the International Conference on Agricultural and Cooperative Credit. Workshop discussions, addresses, and field trips will continue until September 13. The delegates then will divide into two groups to study regional aspects in the specific locales. One will proceed to Washington via Salt Lake City, Utah, Denver, Colo., and Clarksville and Chattanooga, Tenn.; and the other via Phoenix, Ariz., New Orleans, La., and Tuskegee Institute, Ala.

On Monday, September 29, they will meet with Stanley Andrews, Point Four Administrator, John Kenney, Mutual Security Agency deputy director, and members of their staffs. In the afternoon they will discuss related questions with Secretary Charles F. Brannan and other officials of the U. S. Department of Agriculture and R. M. Evans, Governor of the Federal Reserve Board.

For the next 2 days, meeting at the Department of Agriculture South Building, they will hear officials discuss agricultural economics, rural electrification, and operations of the World Bank, Farmers Home Administration, Farm Credit Administration, and related agencies.

On Thursday a morning session will be held at the Federal Security Administration Building to hear spokesmen from the Bureau of Federal Credit Unions.

A visit to the White House, where the delegates are scheduled to be greeted by President Truman, will complete their Washington stay.

The visitors will number 62. Among countries represented at the Washington meetings will be Afghanistan, Bolivia, Colombia, Ecuador, Honduras, India, Iran, Israel, Libya, Pakistan, Paraguay, Peru, Thailand, Burma, Cambodia, Costa Rica, Cuba, Egypt, El Salvador, Indonesia, Iraq, Jordan, Laos, Lebanon, Mexico, Panama, the Philippines, Syria, Uruguay, and Vietnam.

The Conference is devoted to assembling information on organization and functions of agricultural credit institutions and facilities; the extent to which present facilities are adequate; and desirable measures to improve the services of rural credit in the countries concerned.

Emphasis throughout is being placed on credit as a means of increasing farm production and income as a basis for better farm living; financing for production needs and for the marketing and processing of farm products; the place and importance of cooperative enterprise; and the close ties between credit cooperatives and other types of cooperation.

Specific subjects on the agenda are:

- Organization and functions of the agricultural credit institutions and credit problems of each of the participating countries.
- Raising of capital and loanable funds.
- The relation of agricultural credit to economic stability and fiscal policy.
- The place of farm and home planning and supervision in the extension of credit.
- The procedure of handling loan funds from time of issuance from original source or agency to return of funds to such agency.
- The most practicable and reasonable interest rates for different types of loans.
- Relationships and problems involved in extension of production credit and the interrelationship with consumer loans.
- Financing land redistribution programs.
- The most efficient procedure for obtaining small loans at a reasonable rate.

The present Conference developed from the World Land Tenure Conference, a Point Four project conducted in the autumn of 1951 at the University of Wisconsin to prepare for greater international cooperation on land-tenure problems.

## **Unsettled or Unpaid Claims Against Cuba**

Press release 695 dated September 4

The American Embassy at Habana has informed the Department of State that the Tribunal of Accounts of the Republic of Cuba has been directed to conduct a survey to determine the amount of the Cuban floating debt and that, in this connection, the Cuban Government recently announced that all persons purporting to have claims against that Government which arose prior to October 10, 1940, should now submit their claims during a specified period of time to the tribunal for audit and determination.

The Department of State, therefore, recommends that all unsettled or unpaid claims of American nationals against the Cuban Government, whether or not previously submitted, which arose prior to October 10, 1940, with the exception of those claims cases that have been adjudicated in the Cuban courts, should be submitted to the Tribunal of Accounts in order that they may receive consideration. The Tribunal of Accounts should be addressed as follows: Comisión Depuradora y Liquidadora de la Deuda Flotante, Dirección de Secretaría, Registros y Archivos del Tribunal de Cuentas, Calle 23 numero 55, Vedado, La Habana, Cuba.

The Comisión Depuradora y Liquidadora de la Deuda Flotante (Committee for the Clarification and Liquidation of the Floating Debt) is the agency which will study and pass upon the claims.

It is composed of three members of the Tribunal of Accounts and has been created to consider all matters relating to the audit and determination of the Cuban floating debt.

The final date fixed by the Cuban Government for the reception of claims is February 5, 1953. Claimants who have previously filed with the Cuban Government claims which have not been adjudicated by the Cuban courts nor adjusted should request the agency of the Cuban Government to which their claims were submitted to return those claims to them. When claimants have obtained the return of their claims, or evidence, they should amend them to comply with present instructions issued by the Cuban Government for the preparation and submission of claims. Copies of the new instructions are being mailed by the Department of State to all American nationals who are indicated by its records to have claims pending against the Cuban Government which arose prior to October 10, 1940, and which have not been adjudicated in the Cuban courts. Any claimant who does not receive a copy of the new instructions may obtain a copy by communicating with the Department of State, Office of the Legal Adviser, Washington 25, D. C.

It should be noted that the final date for the reception of claims by the tribunal is February 5, 1953, and claimants are urged to prepare and submit their amended claims with a sufficient margin of time to assure their delivery to the tribunal prior to that date.

## **Effective Date of Venezuelan Trade Agreement**

Press release 720 dated September 11

The Supplementary Trade Agreement between the United States and Venezuela, which was signed at Caracas, August 28, 1952, will become effective October 11, 1952.<sup>1</sup> This agreement supplements and amends the Trade Agreement of 1939 between the two countries.

Article 13 in the new agreement provides that it shall enter into force 30 days after the exchange of a proclamation of the agreement by the President of the United States and an instrument of ratification by the Government of the United States of Venezuela.

Dr. Aureliano Otañez, Minister Counselor and Chargé d'Affaires *ad interim* of the Venezuelan Embassy, and Assistant Secretary for Inter-American Affairs Edward G. Miller, Jr., exchanged the documents.

<sup>1</sup>For text of Department's announcement describing terms of the new agreement, together with a message from the President to the Congress explaining certain petroleum concessions in the agreement, see BULLETIN of Sept. 15, 1952, p. 400.

## Collective Knowledge for a Better World

by *Howland H. Sargeant*  
*Assistant Secretary for Public Affairs*<sup>1</sup>

The United States is itself a young nation. The roots of our people, however, go back to many lands. There is not one nation represented here today that some American does not call "home." These are good Americans, none better. Their love for this their adopted country is no less deep because they remember the "old country" with affection.

New York City itself has been called the master melting pot. According to the latest available census figures, the population of New York represents 27 different major nationalities. Within the family circle, the people speak exactly that number of languages.

Your inheritance is ours. We share its treasures. If we think we have, ourselves, something to offer, it is as a son or daughter bringing home their treasures to add to the family store.

The museums of today open their doors to the people. They have become valued and recognized educational tools rather than mere repositories of the treasures of the past. And the people have responded.

It is estimated that in this country 50 million persons visit our museums annually. This, out of a population of 150 million, is, I think, good. It could, however, be better. One of the things we seek to learn in these seminars is how to make the museum more a part of the average citizen's education—how we all can profit more fully from what you have to offer.

Over the past few decades the world has moved so fast that we have had to revise our thinking. The miracle of today is the commonplace of tomorrow. Time has come to mean less and less.

For example, one of the most popular exhibits

in the Washington museums is the "Spirit of St. Louis," the plane in which Charles Lindbergh flew the Atlantic in 1927. . . . Today, 25 years later, the average boy or girl sees that flight as commonplace. Thirty-three hours and 30 minutes to fly the Atlantic! What's so wonderful about that!

Last month a British "jet" flew the Atlantic in a little over 3 hours and made the return trip in just about the same time. The total flying time, if I remember correctly, was exactly 7 hours and 59 minutes.

My favorite Washington newspaper covered the story in three or four paragraphs. It was news, of course, but nothing like the Lindbergh story. Nothing like the breathless excitement of the world over that event. Lindbergh was, and deserved to be, a world hero. The newspapers printed column after column, giving the most minute details of the flight. We ate up every word.

I can't even remember the name of the pilot of the "jet."

And this, remember, in just 25 years. Museum visitors who see the Lindbergh plane think of the "past" in these terms. For the high-school boy or girl of today that flight is ancient history.

Some years ago, poking around in a museum file, I ran across a story of a Chinese—well, I suppose I should call him an aeronautical engineer—who perfected a plane in the 7th century A.D. It flew, too. His emperor ordered his head cut off. The contraption, he ruled, was too dangerous. Why, men could fly over towns and farmlands and drop rocks and things on the people below. No one would be safe.

Many of us, I think, can sympathize with the emperor. Our progress, material-wise, has outstripped our ability to control the use of the fruits of our endeavor. The danger he saw has become a reality. We do use the airplane to drop "things" and they are not rocks.

<sup>1</sup> Excerpts from an address made before the International Seminar on the Role of Museums in Education at Brooklyn, N.Y., on Sept. 15 and released to the press (No. 726) on the same date.

We also use the airplane in a great many useful ways. Few of us would be willing to discard it.

The difficulty lies with us—the people who have produced the plane and other man-made miracles.

### **The Science of Living Together**

We have made very little progress in the science of living together. We rely on old formulas, formulas proved untrustworthy over the ages. War, of course, is an old formula. It has brought misery and destruction upon mankind from the beginning. It has no place in the twentieth century.

Peace was the primary objective of those who wrote the Charter of the United Nations—"to save succeeding generations from the scourge of war . . . to practice tolerance and live together in peace with one another as good neighbors."

The men and women who wrote those words were of many races and many creeds. Their single one compelling bond was their common humanity and their common determination to build a peace so strong and enduring that never again would the world be rocked by war—"which twice in our lifetime has brought untold sorrow to mankind."

These were dedicated men and women. But they knew that they could not attain their great goal alone. They knew that the task demanded the cooperation of all nations and all peoples of good will.

To build the will to cooperate was the first problem. Each of the specialized agencies of the United Nations has contributed to the building of that will. Meeting together to handle specific problems, they have found collective action the key to success. Their specialized interests draw them together, creating a natural sympathy and understanding.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) was given a more unusual and different kind of assignment. The constitution of UNESCO reads: "Since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed." UNESCO's assignment was to construct those defenses.

In handling its task UNESCO has adopted a very simple formula. Not long ago a little girl in a Washington elementary school was asked to explain, in her own words, just what UNESCO was trying to do. She said: "It is trying to help people to get to know each other." That, to me, was the perfect answer. It describes the UNESCO program exactly.

UNESCO operates on the belief that sympathy and understanding between men is their natural heritage. It believes the barriers that separate them are man-created, artificial. It proposes to break down those barriers.

The greatest barrier is ignorance. We are very

ignorant of each other, we 2 billion men and women and children living on this old planet. We have all sorts of misconceptions of each other. We have prejudices, hatreds, animosities. UNESCO believes that when we meet, face to face, many of these misconceptions vanish. Prejudices, hatreds, animosities are forgotten.

One of the purposes of gatherings such as this is to bring men and women of many lands together—to help them "to get to know each other." There have been other similar gatherings. There will be many more.

"Getting to know each other" is not, of course, the sole purpose of these seminars. Nor of the other gatherings sponsored by UNESCO.

### **No Monopoly on Knowledge**

No one nation and no one people has a monopoly on knowledge. Each of us can learn from the other. One of the purposes of the United Nations set forth in article 1 of chapter 1 of the Charter, is "to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character."

All of us, all the member nations of UNESCO, have economic, social, cultural, and humanitarian problems. These are human problems, old as the human race. The day may never come when we have solved them completely, but improvement—vast improvement—is not only possible but imperative.

These problems—all of them—carry the seeds of war. The attainment of the United Nation's great goal demands that they be reduced to manageable proportions.

Hunger, misery, and despair, these are, as President Truman has said, the ancient enemies of mankind. To war against these, we, the peaceful peoples of the world, are united. This is the only war in which we all can gain and none lose. It is a war we can win with the tools we now have at hand.

The keenest of these tools is knowledge. But it has to be our collective knowledge. Not one of us is smart enough to win the fight alone.

The role of the museum in this war is vital. In practically every field of world knowledge, the museums play a notable part. They are, primarily, storehouses of world knowledge—knowledge about the minerals, rocks, fossils of the solid earth, the vegetation on its surface—the vast assemblage of life on land and sea.

This is learning material for millions of minds, regardless of race or creed, regardless of barriers of language or national frontiers. Under the roof of the museum all men are brothers—members of the great human family.

The past, to use a favorite quotation, is prologue. The museums offer us the prologue to what can be—what must be—a better and brighter world.

## General Assembly Consideration of Korean Question

Press release 714 dated September 10

*In answer to questions regarding reports that the United States would take the initiative in seeking United Nations General Assembly consideration of the Korean question, Secretary Acheson at his press conference on September 10 made the following extemporaneous statement:*

As far as I know, these reports grew out of a misunderstanding of what Ambassador Ernest Gross said in a United Nations television interview.

The situation, of course, is that the General Assembly meets on the 14th of October. Now one of the items on the agenda of the General Assembly, which has to appear there and regularly appears there, is the reports of certain commissions of the United Nations. Two of those commissions have to do with Korea—the rehabilitation one and the one on the political side. The reports of those commissions bring up the question of Korea.

Of course, we are preparing our positions on all matters which are likely, and some that perhaps are unlikely, to come before the United Nations. In doing that, we try to clarify our own ideas as to what it is that the Assembly can usefully do on any of these matters. After we get our own ideas reasonably clarified we begin to discuss the matter with friendly delegations, get their ideas, and see if we can reach some kind of meeting of minds on how to deal with the situation.

That, I believe, is what is happening. I believe that that is all that is happening. But I think Mr. Gross talked about this in a way which led to some misconstruction. I cannot forecast the attitude which we will take. As I say, it is under consideration at the present time. It will undoubtedly be very much affected by the events which transpire in the next 6 weeks.

## Representatives Appointed to General Assembly

White House press release dated September 12

The President on September 12 named by recess appointment the following persons to be representatives of the United States to the seventh session of the General Assembly of the United Nations to be held at New York, beginning October 14, 1952:

Warren R. Austin, Vermont  
Mrs. Franklin D. Roosevelt, New York  
Theodore Francis Green, U.S. Senator from the State of Rhode Island  
Alexander Wiley, U.S. Senator from the State of Wisconsin  
Ernest A. Gross, New York

The following are named to be alternate representatives of the United States:

Philip C. Jessup, of Connecticut  
Benjamin V. Cohen, of New York  
Charles A. Sprague, of Oregon  
Edith S. Sampson, of Illinois  
Isador Lubin, of New York

The Secretary of State will be head of the delegation, and in his absence Ambassador Austin, as senior representative of the United States, will serve as chairman of the delegation.

The selection of Senator Green, a senior Democratic member of the Senate Foreign Relations Committee, and Senator Wiley, ranking Republican member of the Committee, continues the practice of maintaining bipartisan congressional representation on the U.S. delegation, with members of Congress not up for re-election being given the appointments. At the fifth session of the General Assembly at New York in 1950, Senator Sparkman, of Alabama, and Senator Lodge, of Massachusetts, served as representatives on the delegation of the United States. At the sixth session of the General Assembly, held in Paris in 1951, Congressman Michael J. Mansfield, of Montana, and Congressman John M. Vorys, of Ohio, served as representatives on the delegation of the United States.

## U. S. Delegations to International Conferences

### Conference of Artists (UNESCO)

On September 11 the Department of State announced that under the auspices of the United Nations Educational, Scientific and Cultural Organization (UNESCO), the first International Conference of Artists will be held at Venice, September 22-28. Participation is to be limited to 300 creative artists either designated by governments that are members of UNESCO, sent by interested international organizations, or invited to attend as observers. The United States, which has been invited to participate in the Conference by the Director General of UNESCO, will be represented by the following participants:

#### Chairman

Thornton Wilder, Hamden, Conn.

#### Participants

Valentine Davies, Twentieth Century Fox, Hollywood, Calif.  
Dorothea Greenbaum, New York City  
George L. K. Morris, New York City  
William Schuman, President, Juilliard School of Music, New York City  
Allen Tate, University of Minnesota, Minneapolis, Minn.  
Ralph Walker, Voorhees, Walker, Foley & Smith, Architectural Engineers, New York City

At the Fifth Session of the UNESCO General Conference in 1950, delegates from 56 countries agreed that in cultural activities "UNESCO's first task is to foster international relations by arranging for thinkers, writers, and artists and their ideas to move freely across national frontiers." It was at this same session and in this spirit that the United States introduced the proposal for an international arts conference, which was unanimously approved.

The purpose of the Conference is to study the practical conditions required to insure the freedom of the artist and to seek means of associating artists more closely with UNESCO's work. The results of the Conference could be significant in terms of aligning the artist of today with the principles which govern the United Nations' work.

There will be two types of meetings during the Conference: plenary meetings, attended by all delegates, at which a distinguished expert in each of the various branches of art will read an introductory paper; and simultaneous meetings of five sections, representing music, the theater, literature, the cinema, and the visual arts, including painting, sculpture, and architecture, at which the specific problems of each branch of art will be considered.

The expositions at the plenary meetings are to have a common background and a central theme—"The Artist in Contemporary Society." The points to be covered by each of the principal speakers will include the artist in relation to the public (education and problems of the critic), to the public authorities (censorship, political pressure, and the difficult situation of the artist in exile), to the intermediary (art dealers, agents), and to each other (international organizations in the coordination of artistic undertakings).

The Conference is being held in Venice at the invitation of the Government of Italy on the occasion of the XXVIth Biennale, an international exhibition of art given every 2 years with the support of the Italian Government.

### **Restrictive Business Practices (ECOSOC)**

The Department of State on September 8 announced that the Third Session of the *Ad Hoc* Committee on Restrictive Business Practices of the United Nations Economic and Social Council (Ecosoc) was opened on that date at Geneva. The United States Government was represented by the following delegation:

#### *United States Representative*

Dr. Corwin D. Edwards, Director, Bureau of Industrial Economics, Federal Trade Commission

#### *Advisers*

Donald C. Blaisdell, U.S. Representative for International Organization Affairs, Geneva

Joseph Greenwald, Member of the U.S. Delegation to the Economic Commission for Europe, Geneva

The Committee was established by Ecosoc in 1951 and charged with the development of an international agreement for possible submission to governments by Ecosoc to eliminate so far as possible certain restrictive business practices. The Committee was requested to submit its proposals to Ecosoc by March 1953. The Governments of Belgium, Canada, France, India, Mexico, Pakistan, Sweden, the United Kingdom, the United States, and Uruguay are represented on the Committee. The United States sponsored the resolution establishing the Committee and defining its responsibilities.

Previous meetings were held at the U.N. Headquarters at New York in January and April 1952. During those sessions, considerable progress was made in the preliminary drafting of proposals and in reviewing information from U.N. members and specialized agencies and from other sources on restrictive business practices and on measures taken by individual member states to eliminate them and restore freedom of competition. The Committee will summarize and analyze this information for Ecosoc.

The main objective of the forthcoming meeting is the preparation of proposals on methods for implementing the Ecosoc resolution that U.N. members should act together to prevent restrictive business practices affecting international trade which restrain competition, limit access to markets, or foster monopolistic control, whenever such practices have harmful effects on the expansion of production or trade, on the economic development of underdeveloped areas, or on standards of living.<sup>1</sup> The proposals are to include a provision for the continuing consideration of problems of restrictive business practices.

The desirability of having the United States take the initiative in urging more vigorous international action to solve trade and distribution problems, which can be dealt with only on an international basis, was pointed out by the President's Materials Policy Commission in June 1952.<sup>2</sup> While it noted the progress in eliminating restrictions on the flow of commodities between nations which has been made under the General Agreement on Tariffs and Trade, the Commission pointed out that such efforts need to be carried much further. The action of Ecosoc in adopting the United States proposal for setting up the *Ad Hoc* Committee to draft an international agreement on restrictive business practices was cited as a step in the right direction.

Safeguards against restrictive commercial practices which such an agreement could provide are important in furthering the policy of the United States for stimulating economic cooperation among the nations of the free world.

<sup>1</sup> For text of this resolution, see BULLETIN of Oct. 8, 1951, p. 595.

<sup>2</sup> See H. doc. 527, vols. I, II, III, IV, and V, 82d Cong., 2d sess.



## Committee for U. N. Study of Territorial Government

The Department of State on September 4 announced that the first meeting of a U.N. *ad hoc* committee established to make a study of the factors to be taken into account in deciding whether a territory is or is not self-governing convened on that date in the U.N. Headquarters at New York. The U.S. Government is represented by the following delegation:

### U.S. Representative

Benjamin Gerig, Director, Office of Dependent Area Affairs, Bureau of United Nations Affairs, Department of State

### Advisers

William I. Cargo, Deputy Director, Office of Dependent Area Affairs, Bureau of United Nations Affairs, Department of State

Mason Barr, Caribbean Division, Office of Territories, Department of the Interior

Claude G. Ross, Office of Dependent Area Affairs, Bureau of United Nations Affairs, Department of State

This committee is composed of Australia, Belgium, Burma, Cuba, Denmark, France, Guatemala, Iraq, Venezuela, and the United States. It was established by the U.N. General Assembly in January 1952.

The question of the factors to be taken into account in deciding whether a territory is or is not a territory whose people have attained self-government has presented itself in one form or another since the establishment of the United Nations. At the first session of the General Assembly, the question of the further definition of non-self-governing territories was raised. Since then, this question has received increasing attention in U.N. committees because certain territories have become self-governing and are no longer being reported on.

In 1951, at the invitation of the General Assembly, the special committee on non-self-governing territories examined the question and concluded that no single factor or particular combination of factors can be decisive in every case, except that the properly and freely expressed will of the people of the territory concerned would, in all cases, be the paramount factor in deciding whether a territory has attained self-government. In submitting its report to the sixth session of the General Assembly, the committee also listed a number of factors of a geographical, political, economic, and cultural nature.

At its sixth session, the General Assembly decided to take as a basis for future study a list of basic and general factors drawn up during the Assembly session, established the *ad hoc* committee, and invited all members to transmit to the United Nations statements of their views on the "factors" question.

In its forthcoming deliberations, the *ad hoc* committee is to take into account all the infor-

mation available, including that transmitted to the United Nations on the reasons which have led certain administering members to cease transmitting information on certain of their territories.

The Committee will report to the seventh session of the General Assembly, which convenes at New York on October 14, 1952.

## U.N. Committee on Information From Non-Self-Governing Territories

The Department of State on September 10 announced that the U.S. delegation to the meeting of the U.N. Committee on Information from Non-Self-Governing Territories will be identical to that announced *supra* for the Committee for U.N. Study of Territorial Government, with the exception that the name of Edward P. Noziglia, Office of Dependent Area Affairs, Department of State, should be added to the previously announced list of advisers.

When the U.N. Committee on Information from Non-Self-Governing Territories convenes at the U.N. Headquarters in New York on September 11, it will make a detailed study of social conditions in non-self-governing territories and will review the information submitted by administering authorities on economic and educational conditions in non-self-governing territories. The Committee gave particular attention to educational development at its 1950 meeting and emphasized economic conditions and development at its 1951 session.

Delegates will also discuss international collaboration in regard to economic, social, and educational conditions in these territories and the question of the future of the Committee, and will prepare a report for consideration by the General Assembly.

The United States is a member of this Committee by virtue of the fact that it is one of the members of the United Nations transmitting information on non-self-governing territories. The composition of the Committee for 1952 is as follows: administering members—Australia, Belgium, Denmark, France, the Netherlands, New Zealand, the United Kingdom, and the United States; elected members—Brazil, Cuba, Ecuador, Egypt, India, Indonesia, Pakistan, and the U.S.S.R.

Under the U.N. Charter, governments administering non-self-governing territories recognize that the interests of the inhabitants of their territories are paramount and accept the obligation to promote their well-being. Administering states also assume the obligation to transmit regularly to the U.N. Secretary-General information relating to economic, social, and educational conditions in the territories for which they are responsible.

While the Charter provided for the transmission of this information, no provision was made

for its examination. In 1946, however, the General Assembly recommended that information transmitted on non-self-governing territories be summarized by the U.N. Secretary-General and suggested that a committee be convened to examine this summary and to make recommendations to the Assembly regarding future procedures.

Later in 1946, the General Assembly established a special committee to report on the information transmitted by members in accordance with the Charter provisions and to make recommendations thereon to the next Assembly. This Committee, known as the Special Committee on Information Transmitted Under Article 73 (e) of the Charter, was composed of U.N. members transmitting such information and an equal number of members elected on as wide a geographic basis as possible. In 1947 and again in 1948 the General Assembly voted to reestablish the Committee for another year. In 1949 the Committee was reconstituted for a 3-year period with the proviso that the question of its continuation would be reconsidered in 1952. The future status of the Committee will be decided by the General Assembly at its seventh session.

#### **Executive Committee (WMO)**

On September 8 the Department of State announced that the Executive Committee of the World Meteorological Organization (WMO) would hold its third session at Geneva, September 9-30, 1952, to discuss questions relative to the program and administration of the Organization. Participants from the United States are as follows:

##### *U.S. Representative*

Francis W. Reichelderfer, D.Sc., Chief, Weather Bureau, Department of Commerce

##### *Alternate U.S. Representative*

Arthur W. Johnson, Meteorological Attaché, American Consulate General, Geneva

##### *Advisers*

Donald C. Blaisdell, U.S. Representative for International Organization Affairs, Geneva

Norman A. Matson, Assistant Chief, International Aviation Section, Weather Bureau, Department of Commerce

Dr. Reichelderfer, who was elected President of the WMO at its First Congress held at Paris in March and April 1951, will preside over the forthcoming Committee meeting. The second session of the Executive Committee was held at Lausanne, Switzerland, October 3-24, 1951.

#### **Chemical Industries Committee (ILO)**

On September 8 the Department of State announced that the Third Session of the Chemical Industries Committee of the International Labor Office (ILO) is being held at Geneva, September

9-20, 1952. The United States delegation to this meeting is as follows:

##### REPRESENTING THE GOVERNMENT OF THE UNITED STATES

###### *Delegates*

Robert M. Barnett, Economic officer (labor), American Legation, Bern  
C. C. Concannon, Chemical Division, National Production Authority, Department of Commerce

##### REPRESENTING THE EMPLOYERS OF THE UNITED STATES

###### *Delegates*

Howard R. Huston, Vice President, American Cyanamid Company  
Henry W. Johnstone, Vice President, Merck and Company, Inc.

###### *Alternate Delegate*

W. P. Gage, Vice President, Shell Chemical Corporation

##### REPRESENTING THE WORKERS OF THE UNITED STATES

###### *Delegates*

Harry O'Connell, Member, International Chemical Workers Union, Local No. 2, American Federation of Labor  
Joseph Joy, Vice President, United Gas, Coke, and Chemical Workers of America, Congress of Industrial Organizations

The Chemical Industries Committee is one of eight industrial committees which the ILO established to consider problems in industries which are important internationally. It was created by the ILO Governing Body in 1946 and was inaugurated in Europe in 1948. It has held two sessions—Paris in 1948 and Geneva in 1950. The second session was attended by 102 representatives from 14 countries and by observers from interested international organizations, some of which have established special committees for the chemical industry.

Each of the industrial committees is composed of government, employers', and workers' delegations from a number of countries in which the industry concerned is of some importance. These committees provide machinery through which the special circumstances of the principal international industries can receive special and detailed consideration.

The first item to be considered at the 1952 session of the Chemical Industries Committee consists of a general report prepared by the ILO. This report deals with action taken in various countries in the light of conclusions of the previous sessions, steps taken by the ILO to follow up the studies and inquiries proposed by the Committee, and recent events and developments in the chemical industry. Representatives will also discuss safety and hygiene, organization of working hours, vocational training, and general problems of hours of work with particular reference to a comparison of day work and shift work.

Belgium, Brazil, Canada, China, Denmark, France, India, Italy, Mexico, the Netherlands, Norway, Sweden, Switzerland, the United King-

om, and the United States are the original members of the Committee. Argentina and Greece were added in 1950, and the Federal Republic of Germany, which has a rapidly developing chemical industry, was made a member by action of the Lo Governing Body in November 1951.

### **International Civil Aviation Organization**

The Department of State on September 9 announced that on that date the International Civil Aviation Organization (Icao) would convene a special conference at Rome for the completion of a convention on damage caused by foreign aircraft to third parties on the surface. This convention is designed to replace the Rome Convention of 1933 concerning the unification of certain rules relating to damage of this nature and the Brussels Protocol of 1938 regulating certain insurance aspects of the 1933 Convention.

The United States Government will be represented at the Conference by the following delegation:

#### *Chairman*

Emory T. Nunneley, Jr., General Counsel, Civil Aeronautics Board

#### *Members*

J. Nathan Calkins, Jr., Chief, International Rules Division, General Counsel's Office, Civil Aeronautics Board

H. Alberta Coleclaser, Assistant Chief, Aviation Policy Staff, Department of State

Richard E. Elwell, General Counsel, Civil Aeronautics Administration, Department of Commerce

#### *Adviser*

Edward C. Sweeney, professional staff member, Senate Interstate and Foreign Commerce Committee

The draft convention which the Conference will consider is the product of several years' intensive study by lawyers under the auspices of Icao. In 1951 the draft convention was circulated to interested governments and international organizations by the Council of Icao, which requested that states members of Icao comment on the draft and submit suggestions for its revision. The Conference will discuss the suggestions made by governments, together with the final Icao draft.

The main features of the draft convention are its provisions on (1) system of liability; (2) extent of liability; (3) security for operators' liability; and (4) provisions for suits in actions arising under the convention to be brought in the courts of the place where the damage occurred.

Under the terms of the proposed convention, absolute liability for any damage to third parties on the surface devolves upon the operator of the aircraft causing the damage, except in specified cases of carefully defined types. However, while the aircraft operator has absolute liability, the draft convention includes a formula for the limita-

tion of liability based upon the weight of the aircraft causing the damage. The proposed maximum amount which an operator could be obliged to pay under normal circumstances is the equivalent of \$663,360. In contrast, the top limit in the original Rome Convention is the equivalent of \$132,672.

The proposed convention would provide that states may require the operator of a foreign aircraft to cover his potential liability by insurance or some other acceptable security. In this connection, the Icao Council has suggested that the limitation of liability not be so high as to cause the cost of third-party insurance to become an excessive burden on international civil aviation, but yet be high enough to cover fully compensation to third parties in all but extremely rare catastrophic accidents.

The draft convention further provides that any suits with regard to damages for which liability arises as provided in the convention shall be brought in the courts of the country where the damage occurred. Since assets to satisfy a judgment may not be in that jurisdiction, the draft convention provides that the courts of other countries parties to the convention will grant execution of such judgments. Under the draft convention, however, the courts of a nation where execution is sought are entitled to refuse to grant execution upon a number of stated grounds.

### **Seminar on Role of Museums (UNESCO)**

The Department of State on September 12 announced that an International Seminar on the Role of Museums in Education will be held under the auspices of the United Nations Educational, Scientific and Cultural Organization (UNESCO) at the Brooklyn Museum of Art, Science, and History, New York, from September 14 to October 12, 1952. The U.S. Government will be represented by the following participants:

William H. Bristow, Director, Bureau of Curriculum Research, Curriculum Division, Board of Education, New York, N. Y.

Betty Greenfield Grossman, Educational Department, City Art Museum, St. Louis, Mo.

Janet R. MacFarlane, New York State Historical Association, Cooperstown, N. Y.

Margaret P. Werber, Supervisor of Education, Newark Museum, Newark, N. J.

Miriam Wood, Chicago Natural History Museum, Chicago, Ill.

This seminar, the first of its kind to be held, constitutes an important step toward developing educational activities of museums throughout the world in order to provide direct aids toward increasing international understanding.

The United States is considered to have taken the lead in adapting its museums to function as educational centers for children and adults. Many museums abroad are only now beginning to accept the view that they have a broader function than that of serving only as repositories for art ob-

jects. The U.S. delegation to the sixth General Conference of UNESCO, held at Paris in 1951, sponsored the resolution providing for the convening of the seminar.

The forthcoming discussions at New York will give U.S. specialists the opportunity to show their techniques and practices and to learn of needs and present practices abroad. More than 40 governments have accepted the invitation to send representatives to the seminar.

### International Astronomical Union

The Department of State on September 2 announced that the International Astronomical Union (IAU) will convene in its eighth general assembly on September 4, 1952, at Rome. The U.S. Government, which adheres to the IAU through the National Research Council, will be represented by the following delegation:

#### Delegates

- Otto Struve, Ph.D., *Chairman*, Professor of Astronomy, Director of the Students' Observatory and Chairman of the Department, University of California, Berkeley, Calif.
- Ira S. Bowen, Ph.D., Director, Mount Wilson and Mount Palomar Observatories, Pasadena, Calif.
- Dirk Brouwer, Ph.D., Professor of Natural Philosophy and Astronomy and Director of the Observatory, Yale Observatory, New Haven, Conn.
- Gerald M. Clemence, Head Astronomer and Director of Nautical Almanac, Naval Observatory, Department of Defense
- Jason J. Nassau, Ph.D., Professor of Astronomy and Director of Warner and Swasey Observatory, Case Institute of Technology, Cleveland, Ohio
- Fred L. Whipple, Ph.D., Professor of Astronomy and Chairman of the Department, Harvard University, Cambridge, Mass.

#### Alternate Delegate

- Gerard P. Kuiper, Ph.D., Professor of Practical Astronomy, Yerkes Observatory, University of Chicago, Williams Bay, Wis.

The IAU is a semigovernmental organization which was established by the International Research Council in 1919 to facilitate relations between astronomers of different countries in cases where international cooperation is necessary or useful, and to promote the study of astronomy in all its branches. At sessions of the general assembly, which normally meets every 3 years, leading astronomers come together for scientific discussions on developments in the field of astronomy and to review the program of the IAU. The seventh general assembly was held at Zürich in August 1948.

During the forthcoming assembly, delegates from the 32 adhering countries will also participate in three special symposia: astrometry of faint stars, instrumentation, and stellar evolution. In addition, there will be meetings of the IAU's Joint Commission on Solar and Terrestrial Relationships and of the Joint Commission on Spectroscopy.

The IAU performs important services relating to air and sea navigation, map making, and accurate time determination. In 1922, the IAU organized a Central Bureau for Astronomical Telegrams, which has functioned as a center for exchange of information on astronomical observations. The IAU has supported the International Time Bureau since 1919 and the International Latitude Service since 1922.

One of the most important of the cooperative programs of the IAU is astronomical observation and computation and the compilation of data concerning star and planet positions. Through the facilities of the IAU, international cooperation in star observation is achieved, with members in the Southern Hemisphere contributing to the Union information on the segment of the sky which is not visible to observers in the Northern Hemisphere, and vice versa.

Information which the U. S. Naval Observatory receives from the IAU is organized and made available through three publications, *American Ephemeris*, the *American Nautical Almanac*, and the *American Air Almanac* (for aircraft navigation). The value of these publications is evidenced by the fact that every American ship on the ocean and every American plane on international flight carries one or both of the latter publications which are basic for celestial navigation. The *American Ephemeris* is a basic reference for astronomers and is essential in the accurate determination of time, which in turn is of extreme importance in civil navigation (including loran), and defense fields. In addition, accurate astronomical data are essential to the U. S. Coast and Geodetic Survey in the construction of charts and maps.

The IAU also provides information on total eclipses of the sun and other solar observations which serves as a basis for the prediction of future periods of poor radio communications. The IAU's standardization of scientific constants, which are important to many fields other than astronomy, is a valuable service since it is essential to international cooperation in scientific research that the same and most exact constants and standards be used.

### Directing Council (PASO)

On September 10 the Department of State announced that the 6th session of the Directing Council of the Pan American Sanitary Organization (PASO) and 4th meeting of the Regional Committee of the World Health Organization for the Americas will be held at Habana, September 15-24. The United States delegation is as follows:

#### United States Representative

Leonard A. Scheele, M.D., Surgeon General, Public Health Service, Federal Security Agency

### *Alternate Representatives*

Frederick J. Brady, M.D., Assistant Chief, International Organization Branch, Division of International Health, Public Health Service, Federal Security Agency

Howard B. Calderwood, Office of United Nations Economic and Social Affairs, Department of State

### *Advisers*

Wyman Stone, Director, Division of Health, Welfare, and Housing, Institute of Inter-American Affairs, Technical Cooperation Administration, Department of State

Simon N. Wilson, Office of Regional American Affairs, Department of State

Elton D. Woolpert, Assistant to Surgeon General, Public Health Service, Federal Security Agency

The 17th and 18th meetings of the Executive Committee of the Paso are also being held at Habana, September 10-12 and 25-26, respectively. The U.S. Government is represented at these meetings by the following delegation:

### *Acting United States Representative*

Frederick J. Brady, M.D.

### *Alternate Representative*

Howard B. Calderwood

### *Adviser*

Simon N. Wilson

The purpose of the Pan American Sanitary Organization, organized in 1902 as the Pan American Sanitary Bureau, is the coordination of the public-health efforts of the countries of the Western Hemisphere. The Paso stimulates and promotes the expansion of national and local health services and the adoption of more effective public-health techniques. Technical advisory services are provided and programs, including the control of tuberculosis, venereal disease, yellow fever, malaria, and other insect-borne diseases, are being carried on to assist member governments in raising the level of health, thereby contributing to the improvement of the economic and social well-being of the people of the Americas.

The Directing Council, created in 1947, serves as the executive body of the Paso between quadrennial sessions of the Pan American Sanitary Conference, which is the Organization's Governing Body. It also serves as the Regional Committee of the World Health Organization for the Americas. The last annual meeting of the Directing Council was held at Washington, D. C., in September 1951. Washington is the permanent headquarters of the Paso.

The Executive Committee, composed of seven governments, presently including the United States, elected by the Directing Council, performs interim executive and advisory functions between meetings of the Council. The last meeting of the Executive Committee was held at Washington, D. C., October 3-4, 1951.

Among the most important items to be considered at the Habana meetings are the program and

budget of the Paso for 1953 and 1954, agenda items and arrangements for the 14th Pan American Sanitary Conference to be held in 1954, and proposed revisions of the constitution of the Paso.

### **Conference of Statisticians (ECAFE)**

On September 2 the Department of State announced that a second Regional Conference of Statisticians convened under the auspices of the U.N. Economic Commission for Asia and the Far East (ECAFE), in collaboration with the U.N. Statistical Office, Technical Assistance Administration, and specialized agencies concerned, at Bangkok, for a 2-week session beginning September 1, 1952. The U.S. delegation to the Conference is as follows:

### *U.S. Representative*

Y. S. Leong, Office of Statistical Standards, Bureau of the Budget

### *Advisers*

Joseph Cunningham, Vice Consul, American Embassy, Bangkok

Isom Deshotels, Assistant Agricultural Officer, American Embassy, Rangoon

Thomas F. Corcoran, TCA Consultant to the Government of Pakistan, American Embassy, Karachi

At the first Conference held at Rangoon in 1951, it was established that there exists a definite need for improvement in the method of collecting, compiling, and analyzing statistics relating to agricultural and industrial production and to national income. This branch of statistics, which has direct relation to the most pressing economic problems in the countries of the region, will be under consideration by the specialists at the forthcoming meeting, which is designed to afford the statistical experts of the ECAFE region an opportunity to discuss technical problems with a view to improving the methods of compilation of statistics now employed.

Agencies of governments represented at the Conference, the ECAFE Secretariat, the U.N. Statistical Office, and the Food and Agriculture Organization of the United Nations have submitted papers for consideration at the Conference. Discussions will be focused upon production statistics and price statistics. Delegates will consider the practicability of developing manuals on industrial production statistics and wholesale price statistics. They will review papers on international standards for industrial statistics and wholesale price statistics, their application to ECAFE countries, and possible adjustments of such standards to regional conditions. Other papers to be presented survey the availability of factory production statistics, of statistics relating to cottage industries, and of wholesale price statistics in ECAFE countries and current methods in use for collecting and processing them. Attention will also be given to agricultural production and price statistics.

It is believed that a Conference of this character can contribute directly and usefully to the development and improvement of national statistical services in the ECAFE region. It is also considered that improvement in the quality and availability of statistical information on the topics included for discussion at the meeting is highly desirable in terms of objectives of important programs of a number of U.S. agencies, including the Department of Agriculture, the Department of Commerce, and the Technical Cooperation Administration of the Department of State. Administration of certain of these programs involves fairly urgent needs for current statistics of production and prices for countries in the ECAFE region.

Governments which are members of ECAFE are Australia, Burma, China, France, India, Indonesia, the Netherlands, New Zealand, Pakistan, the Philippines, Thailand, the Union of Soviet Socialist Republics, the United Kingdom, and the United States. Associate members are Cambodia, Ceylon, Hong Kong, Japan, the Republic of Korea, Laos, Malaya and British Borneo, Nepal, and the State of Vietnam.

## Scientific Committee for Trypanosomiasis

Press release 719 dated September 11

Thomas A. Burch, Director of the Liberian Institute of the American Foundation for Tropical Medicine at Harbel, Liberia, has been designated as an official observer at the fourth session of the International Scientific Committee for Trypanosomiasis Research, scheduled to be held September 25-30 at Lourenço Marques, Mozambique (Portuguese East Africa).

The International Scientific Committee for Trypanosomiasis Research was organized in 1947 to coordinate measures for the control of trypanosomiasis (sleeping sickness) in Africa, Belgium, France, Portugal, Southern Rhodesia, the Sudan, the Union of South Africa, and the United Kingdom are members of the Committee. While the United States is not a member, it has sent accredited official observers to previous sessions. Invitations to the fourth session, the meetings of which will be open only to accredited participants, have been extended not only to the U.S. Government but also to the Permanent Inter-African Bureau for Tsetse and Trypanosomiasis at Léopoldville and to the World Health Organization.

The economic and social development of the whole of Central Africa is to a large measure contingent upon the discovery of a method to control trypanosomiasis in domestic animals. The effects of this disease, which is carried by the tsetse fly, can be controlled in men but not, as yet, in animals. Therefore, until research can provide the tools to control the disease in domestic animals, this vast

expanse of 4½ million square miles in the world's second largest continent cannot be reclaimed and settled. Cooperation in trypanosomiasis research and control is part of the U.S. program of assistance to underdeveloped areas of the world.

Scientists of the United States have made substantial contributions to the knowledge of trypanosomiasis. Trypanosomes have been used in our medical-research laboratories since the turn of the century as test organisms in the development of therapeutic agents. In recent years, the National Institutes of Health have carried on research that has given scientists considerable insight into the mechanisms of resistance of animal trypanosomes to those drugs useful in treating the human disease. A number of American research scientists have made substantial contributions to the treatment of trypanosomiasis by carrying on field tests in Africa with drugs developed in their laboratories in the United States.

## Communiqués Regarding Korea to the Security Council

The Headquarters of the United Nations Command has transmitted communiqués regarding Korea to the Secretary-General of the United Nations under the following United Nations document numbers: S/2733, August 7; S/2734, August 11; S/2735, August 11; S/2738, August 12; S/2739, August 13; /S2740, August 14; S/2742, August 15; S/2743, August 18; S/2745, August 18; S/2747, August 20; S/2748, August 21; S/2749, August 22; S/2751, August 25; S/2752, August 26; S/2753, August 27; and S/2757, August 29.

## Convention for Safety of Life at Sea

Press release 721 dated September 11

On September 10 the President issued his proclamation on the International Convention for the Safety of Life at Sea, 1948,<sup>1</sup> which was signed at London on June 10, 1948. The convention provides for improved standards for safety of life at sea in the fields of ship construction, fire protection, lifesaving appliances, radio equipment, dangerous cargoes, and navigation generally.

In accordance with its terms, the convention will enter into force on November 19, 1952. It will replace the convention of May 31, 1929, of the same character, as between parties to the 1929 convention who have also accepted the 1948 convention.

In addition to the United States, countries which have accepted the convention to date are Belgium, Canada, Denmark, France, Iceland,

<sup>1</sup> 17 Fed. Reg., 6034.

Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Pakistan, Portugal, Sweden, the Union of South Africa, the United Kingdom of Great Britain and Northern Ireland, and Yugoslavia.

## Current United Nations Documents: A Selected Bibliography<sup>1</sup>

### Economic and Social Council

The Problem of Statelessness. Information transmitted by States in pursuance of Economic and Social Council resolution 352 (XII) relating to the problem of statelessness. E/2164/Add. 23, August 1, 1952. 23 pp. mimeo.

Implementation of Recommendations on Economic and Social Matters. Economic and Social Council resolution 283 (X). Texts of replies from governments of Member States. E/2165/Add. 44, July 23, 1952. 9 pp. mimeo.

Full Employment. Implementation of full employment policies. Replies of governments to the full employment questionnaire covering the period 1951-52, submitted under resolutions 221 E (IX), 290 (XI) and 371 B (XIII) of the Economic and Social Council. E/2232/Add. 5, July 11, 1952. 79 pp. mimeo; E/2232/Add. 6, July 11, 1952. 46 pp. mimeo.

Co-ordination of the Work of the United Nations and the Specialized Agencies. Report of the Co-ordination Committee. E/2306, July 25, 1952. 16 pp. mimeo.

Calendar of Conferences for 1953. E/2309, July 28, 1952. 9 pp. mimeo.

Work Programmes and Costs of the Economic and Social Activities of the United Nations. E/2315, July 29, 1952. 52 pp. mimeo; E/2315/Add. 1, August 4, 1952. 6 pp. mimeo.

Calendar of Conferences for 1953 as approved by the Council at its 664th plenary meeting of 29 July 1952. E/2316, August 6, 1952. 5 pp. mimeo.

Resolutions Adopted by the Economic and Social Council During its Fourteenth Session From 20 May to 1 August 1952. E/2331, August 6, 1952. 6 pp. mimeo.

### General Assembly

*Ad Hoc* Committee on Factors (Non-Self-Governing Territories). Replies of Governments Indicating Their Views on the Factors to be Taken Into Account in Deciding Whether a Territory is or is not a Territory Whose People Have not yet Attained a Full Measure of Self-Government. A/AC.58/1, May 22, 1952. 24 pp. mimeo; A/AC.58/1/Add. 2, June 12, 1952. 11 pp. mimeo; and A/AC.58/1/Add. 3, July 16, 1952. 22 pp. mimeo.

<sup>1</sup> Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

The United Nations Secretariat has established an Official Records series for the General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, and the Atomic Energy Commission, which includes summaries of proceedings, resolutions, and reports of the various commissions and committees. Information on securing subscriptions to the series may be obtained from the International Documents Service.

Replies of Governments Indicating Their Views on the Factors To Be Taken Into Account in Deciding Whether a Territory Is or Is Not a Territory Whose People Have Not Yet Attained a Full Measure of Self-Government. Iraq (supplementary reply). A/AC.58/1/Add. 5, Aug. 20, 1952. 5 pp. mimeo.

Information From Non-Self-Governing Territories: Summary and Analysis of Information Transmitted Under Article 73 e of the Charter. Report of the Secretary-General. Australia, A/2128, July 30, 1952. 19 pp. mimeo; Denmark, A/2130, August 11, 1952. 16 pp. mimeo; United Kingdom of Great Britain and Northern Ireland, A/2134, August 4, 1952. 191 pp. mimeo; United States of America, A/2135, June 4, 1952. 71 pp. mimeo.

Replies of Governments Indicating Their Views on the Factors To Be Taken Into Account in Deciding Whether a Territory is or is not a Territory Whose People Have Not Yet Attained a Full Measure of Self-Government. A/AC.58/1/Add. 4, July 25, 1952. 13 pp. mimeo.

Essential Factors To Be Taken Into Account in Deciding Whether a Non-Self-Governing Territory has Attained a Full Measure of Self-Government. Working Paper Prepared by the Secretariat. A/AC.58/3, July 28, 1952. 9 pp. mimeo.

Observations of Governments on Particular Factors To Be Taken Into Account in Deciding Whether a Non-Self-Governing Territory Has Attained a Full Measure of Self-Government. Working Paper Prepared by the Secretariat. A/AC.58/4, July 31, 1952. 12 pp. mimeo.

Examination of the Factors Indicative of the Free Association (Whether in a Federal or Unitary Relationship) of a Territory on Equal Status With Other Component Parts of the Metropolitan or Other Country. Working Paper Prepared by the Secretariat. A/AC.58/5, August 6, 1952. 14 pp. mimeo.

Peace Observation Commission. Balkans Sub-Commission. Special report of the United Nations Military Observers in Greece. Letter dated 18 July 1952 from the Acting Principal Observer submitting a special report concerning a frontier incident occurring on 16 July 1952. A/CN.7/SC.1/17, July 23, 1952. 7 pp. mimeo; Letter dated 2 August 1952 from the Acting Principal Observer submitting a special report concerning a frontier incident occurring on 26 and 27 July 1952. A/CN.7/SC.1/29, August 11, 1952. 8 pp. mimeo.

### Trusteeship Council

Standing Committee on Administrative Unions. The Gold Coast (Constitution) Order in Council, 1950 and the Gold Coast (Constitution) (Amendment) Order in Council, 1952. T/C.1/L.30, July 22, 1952. 38 pp. The Nigeria (Constitution) Order in Council, 1951. T/C.1/L.31, July 22, 1952. 64 pp.

Ninth Session, 5 June to 30 July 1951. Disposition of Agenda Items. T/INF/22, April 7, 1952. 111 pp. mimeo.

Draft Report of the Trusteeship Council to the General Assembly Covering its Fourth Special Session and its Tenth and Eleventh Sessions. (18 December 1952 to . . . July 1952) Prepared by the Secretariat. T/L.307/Add. 1, July 24, 1952. 14 pp. mimeo.

Report of the Standing Committee on Administrative Unions to the Trusteeship Council Concerning Council's Resolution 420 (X) on Administrative Unions. T/1026, July 17, 1952. 156 pp. mimeo.

Provision of Information to the Peoples of Trust Territories. Report of the Secretary-General. T/1028, July 18, 1952. 13 pp. mimeo.

## Representative Appointed to Congress of African Tourism

Press release 729 dated September 12

Donald W. Lamun, American Consul at Lourenço Marques, Mozambique, Africa, will represent the U.S. Government as an official observer at the fourth International Congress of African Tourism, to be held at Lourenço Marques from September 15 to 20, 1952.

The United States has an interest in Africa's present and future role in world affairs and in the development of travel as an economic and social benefit.

### THE DEPARTMENT

## "Courier" To Begin VOA Broadcasts

Press release 698 dated September 5

The U.S. Coast Guard Cutter *Courier*, the Voice of America's first seagoing radio station, will begin relaying VOA broadcasts on a regular basis on September 7.

Anchored at the island of Rhodes in the eastern Mediterranean, the floating relay base will carry a daily broadcast schedule of 5¾ hours in nine languages over powerful medium-wave and short-wave transmitters.

Programs in four languages—Armenian, Georgian, Azerbaijani, and Tatar—will be beamed to listeners in the Soviet Union, and in five languages—Turkish, Persian, Hebrew, Arabic, and English—to the Near and Middle East. Inauguration of the *Courier* relay will mark the first time that VOA broadcasts in the four Soviet minority languages have been transmitted on medium wave.

For the last 2 weeks, the *Courier's* 150,000-watt medium-wave transmitter and two 35,000-watt short-wave transmitters have been undergoing intensive tests. Reports indicate wide coverage for the broadcast signals and promise an increase in the Voice of America's penetration of the electronic curtain erected by Soviet jamming stations.

En route to Rhodes, the Coast Guard vessel paid good-will visits to Tangier, Gibraltar, Naples, and Piraeus. The *Courier* will operate at Rhodes under a site and frequency agreement between the Governments of Greece and the United States.

### The U. S. in the U. N.

A weekly feature, does not appear in this issue.

## PUBLICATIONS

### Recent Releases

*For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.*

**Military Aviation Mission.** Treaties and Other International Acts Series 2395. Pub. 4543. 2 pp. 5¢.

Agreement between the United States and Peru extending and modifying agreement of Oct. 7, 1946—Signed at Washington Sept. 29 and Oct. 31, 1950; entered into force Oct. 31, 1950.

**Passport Visa Fees.** Treaties and Other International Acts Series 2398. Pub. 4550. 3 pp. 5¢.

Agreement between the United States and Pakistan—Signed at Karachi Oct. 10 and 18, 1949; entered into force Oct. 18, 1949.

**Export Controls and Free World Security.** Commercial Policy Series 143. Pub. 4626. 7 pp. 5¢.

A background summary explaining how cooperation has developed voluntarily and has been worked out regarding the extent and level of security export controls.

**Health and Sanitation, Cooperative Program in Colombia, Additional Financial Contributions.** Treaties and Other International Acts Series 2400. Pub. 4560. 4 pp. 5¢.

Agreement between the United States and Colombia—Signed at Bogotá Sept. 5 and Nov. 30, 1951; entered into force Nov. 30, 1951.

**Economic Cooperation With Turkey Under Public Law 472, 80th Congress, as Amended.** Treaties and Other International Acts Series 2392. Pub. 4527. 3 pp. 5¢.

Agreement between the United States and Turkey amending agreement of July 4, 1948, as amended—Signed at Ankara Aug. 16, 1951; entered into force Aug. 16, 1951.

**Civil Aviation Mission to Peru.** Treaties and Other International Acts Series 2396. Pub. 4547. 10 pp. 5¢.

Agreement between the United States and Peru—Signed at Lima Dec. 27, 1946; entered into force Dec. 27, 1946, and amendment signed at Lima Aug. 28 and Nov. 11, 1947; entered into force Nov. 11, 1947.

**Civil Aviation, Use of Payne Field.** Treaties and Other International Acts Series 2397. Pub. 4548. 2 pp. 5¢.

Agreement between the United States and Egypt—Signed at Cairo June 15, 1946; entered into force June 15, 1946.

**Technical Cooperation Program.** Treaties and Other International Acts Series 2470. Pub. 4593. 6 pp. 5¢.

Agreement between the United States and India—Signed at New Delhi Jan. 5, 1952; entered into force Jan. 5, 1952.



**Economic Cooperation.** Treaties and Other International Acts Series 2463. Pub. 4598. 4 pp. 5¢.

Agreement between the United States and Italy—Signed at Rome Dec. 28, 1951; entered into force Dec. 28, 1951.

**Iran: Point of World Interest.** Near and Middle Eastern Series 6. Pub. 4628. 8 pp. 5¢.

A background summary presenting a brief résumé of Iran and the forces which give her such a prominent place in international affairs.

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**Exchange of Official Publications.** Treaties and Other International Acts Series 2402. Pub. 4564. 2 pp. 5¢.

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**Copyright.** Treaties and Other International Acts Series 2429. Pub. 4581. 6 pp. 5¢.

Agreement between the United States and Denmark—Signed at Washington Feb. 4, 1952; entered into force Feb. 4, 1952.

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**Education, Cooperative Program in Paraguay, Additional Financial Contributions.** Treaties and Other International Acts Series 2451. Pub. 4597. 4 pp. 5¢.

Agreement between the United States and Paraguay—Signed at Asunción Sept. 10 and Nov. 29, 1951; entered into force Nov. 29, 1951.

**The UNESCO Constitution and Basic Law.** International Organization and Conference Series IV, UNESCO 17. Pub. 4645. 21 pp. 15¢.

Constitution, Public Law 565, and roster of the U.S. National Commission for UNESCO.

**United Nations—60 Countries Pledged To Act.** International Organization and Conference Series III, 81. Pub. 4612. 10 pp. 5¢.

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**Turkey: Frontier of Freedom.** Near and Middle Eastern Series 7. Pub. 4633. 12 pp. 10¢.

A background summary showing that Turkey has become a substantial "eastmost bastion of Western freedom."

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Releases may be obtained from the office of the Special Assistant for Press Relations, Department of State, Washington 25, D. C.

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*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.*

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## Recent Progress in Asia

*Remarks by John M. Allison  
Assistant Secretary for Far Eastern Affairs<sup>1</sup>*

**QUESTION:** Let us begin with the general question—Mr. Allison, would you say conditions in Asia today are better or worse than they were, say, a year ago?

**MR. ALLISON:** On the whole I believe conditions in Asia are better today than they were a year ago. There are, of course, still dark spots. There are situations such as in Korea and Indochina where actual fighting is taking place and where we cannot see clearly at this time just what the end will be. However, if we look at the whole area of Asia there are, I believe, many things to point to which show that progress has been made.

First, a year ago we had just signed the Japanese peace treaty. Since then it has gone into effect, and Japan is again taking her place as a free, independent and equal member of the family of nations. This, I believe, is extremely important, for the contribution which the 80 million vigorous Japanese can make to the welfare of Asia is inestimable.

Formosa is getting stronger. The Government on Formosa is making real strides in economic and social progress and the people of Formosa are getting progressively a larger share in the Government. American economic and military aid is flowing into the island in increasing quantities, and whereas a year or a year and a half ago there was a definite threat of invasion from the mainland, that does not seem imminent today.

In the Philippines we have seen vast improvement in the security situation. A year ago there were many parts of the islands, some close to Manila, where it was not safe to travel at night. Today, you can travel almost anywhere with little or no danger.

A year ago the pessimists told us that Burma was likely to fall by default into Communist hands because of internal weaknesses. Today, the

Burmese Government is in a stronger position than it has been since it achieved its independence. Popular elections have been held for the first time, and the Government returned to power with a large majority. Active steps have been taken by the Government against the Communists within Burma and the effective writ of the Burmese Government has been extended far beyond the borders of Rangoon itself.

A year ago hardly a start had been made toward developing any sort of collective security system in the Pacific. We had just signed a security treaty with Japan, a mutual defense treaty with the Philippines, and a mutual security treaty with Australia and New Zealand. Today, all of those security and defense treaties have been ratified and have gone into effect, and we have had the first meeting of the Council [ANZUS Council] provided for in the Australia-New Zealand-United States Security Treaty, and it has set up procedures for implementing that pact.

**QUESTION:** In that connection, Mr. Allison, tell us more about this meeting at Honolulu, the ANZUS meeting. There seems to be considerable worry in some quarters regarding the fact that this was a "white man's meeting" and that no Asian nations were invited to Honolulu. What can you tell us about this?

### Background of Anzus Meeting

**MR. ALLISON:** There has been considerable misunderstanding and confusion regarding the meeting last month at Honolulu of the Foreign Ministers of Australia, New Zealand, and the United States. Many people seem to think that this meeting was suddenly decided upon, that the United States, out of the blue as it were, realized a need for some sort of Pacific pact and that we then invited just Australia and New Zealand to a meeting to discuss the problem. That is very far from the truth. As I said, the treaty with Australia

<sup>1</sup> Made over CBS's "The Asia Story" program on Sept. 14 (press release no. 727 dated Sept. 12).

and New Zealand was signed over a year ago. It was one of three similar treaties, all concluded at about the same time as the Japanese peace treaty and all of them with that peace treaty making what we thought of in the Department of State as the total Japanese peace settlement.

The ANZUS Council meeting at Honolulu was not an isolated event. It was held merely to bring into effect the provisions of the treaty with Australia and New Zealand. There are only three parties to that particular treaty, and because of this there obviously could not be invited other powers unless all three agreed that this should be done.

This treaty was one of several treaties making up the Japanese peace settlement. The United States took the lead in bringing about a treaty of peace with Japan which was not punitive and which was based on trust and a spirit of reconciliation. It was believed that this treaty should be nonrestrictive and that in the treaty itself it would not be possible to seek certainty about Japan's future actions by imposing restrictions which would deny freedom to Japan.

The peoples of Australia, New Zealand, and the Philippines were much closer to Japanese aggression than we were, and there was a natural reluctance in those countries to think in terms of a peace treaty with Japan that would not make impossible by its own terms the resurgence of Japanese aggression. If the Governments of those countries were to join with the United States in the type of Japanese peace treaty which we believed essential, they had to be able to give their people assurances about their future security.

As a result of the conclusion of these mutual security and defense treaties they were able to do so. But these treaties do not look only to the past, they are the basis for hope in the future. The best description of the real purpose of these security pacts has been given by John Foster Dulles, who was in charge of their negotiation, when he stated before the Senate Foreign Relations Committee:

It is highly appropriate that not only our friends, but our potential enemies, should learn that our concern with Europe, evidenced by the North Atlantic Treaty, and our concern with Japan, in no sense imply any lack of concern for our Pacific allies of World War II or lack of desire to preserve and deepen our solidarity with them for security. The security treaties with these three countries are a logical part of the effort not merely to liquidate the old war, but to strengthen the fabric of peace in the Pacific as against the hazard of new war.

We have tried to make it clear that the meeting at Honolulu last month was not a meeting of a Pacific pact and that the Council set up is not a Pacific council. We even went to some trouble to coin a new word, "ANZUS," to describe this Council and to make sure that no one would think that this Council was one which would decide the problems of the whole Pacific area. As President Truman said, when it was announced in April of

1951 that these treaties were to be concluded, they are "initial steps" in the formation of an over-all security system for the Pacific. We have found that it is not possible at this time to have a Pacific pact in the same sense that we have a North Atlantic Pact. When you stop to look for a minute at the countries of Asia you will readily see why this is so. In Europe, members of the North Atlantic Pact have, generally speaking, common problems, complementary economies, and have all reached approximately the same level of political, economic, and social development. That is not so in Asia. Here we have countries ranging from crown colonies and satrapies such as Borneo to modern industrialized Japan. We have countries such as Japan and Thailand which have been independent for centuries. We have other countries like Indonesia, Burma, and the Philippines which have only achieved full independence in the last 6 years. We have some of the countries of Asia which still recognize the National Government of China as the only legitimate Chinese Government. We have others who recognize the Communist regime as the legitimate government of China. We have countries such as the Philippines which are willing to align themselves publicly on the side of the West. We have other countries, particularly the newer ones such as Burma and Indonesia, who say that their first task is to put their own house in order and they wish to be left alone to do that and do not wish to take sides in the world struggle at this time.

#### **Foundation Laid for Pacific Pact**

With all these diversities, the time has not yet come when we can have a single over-all Pacific pact. But in my personal opinion that time will come, and when it does and when the people of Asia make clear that they wish to work together to insure their free development and to help each other maintain their independence, then the United States will be ready and willing to play its part in helping them to do so. The "initial steps" such as the ANZUS pact, our mutual defense treaty with the Philippines, and our security pact with Japan, can be the foundation for this greater cooperation.

**QUESTION:** Well that naturally, Mr. Allison, brings us to the subject of neutralism in Asia of which we hear so much. Do you think there is such a thing as a real neutral out there?

**Mr. ALLISON:** I think it is only natural for us to expect neutralism in an area where new countries are just getting on their feet. My own feeling is that these countries are more neutral in what they say than in what they do. All of the countries of Asia outside of the mainland of China have in one way or another demonstrated by action that they wish to remain free and independent and that they do not wish to be the slaves of any foreign *ism*. They are all, I would say,

non-Communist if not actively anti-Communist. I think before we judge too hastily we should remember our own experience and recall that it took two world wars before the people of this country realized that in today's world one cannot long remain neutral. However, this is not something we can tell the peoples of Burma and Indonesia. They must decide this matter for themselves. It is important to emphasize that it is not America, it is not the free nations of the world, that say neutralism is impossible, but it is the Communists who say it everyday and in every way. They said it again as recently as last December when, in the *Moscow University Herald*, the Communists set forth a seven-point program forming in fact a blueprint of Communist aggression in the East. It begins with instructions to incite the peoples of the East to nationalism, something which obviously they all are interested in. They are then told to promote a "united front," and the various steps are outlined to the point where the Communist Party seizes complete control and ousts all others. Point 6 in this seven-point program is worthy of special mention. It says: "Remember that true national independence can be achieved only in unity with the Soviet Union. There is no third, middle or neutral road."

**QUESTION:** How does the American Government define Russian objectives in Asia?

**Mr. ALLISON:** I don't think it is as important, Mr. Costello, to know how the American Government defines Russian objectives as it is to know how the Soviet Government defines those objectives. The Communists have made no secret of their interest in the Far East, and what they are trying to do has been made clear for all who will read and understand. I have just mentioned the seven-point program outlined in the *Moscow University Herald* of last December in an article commenting upon the lessons to be learned from China about advancing the revolution. We know that this interest of the world Communist leaders is of long standing although it has taken its most aggressive form in recent years. Almost 30 years ago, in his lectures on the foundation of Leninism, Stalin pointed out that "The road to victory of the revolution in the West lies through the revolutionary alliance with the liberation movement of the colonies and dependent countries against imperialism." Stalin has also said that with Japan, Russia would be invincible. It seems then that we can learn from the lips of the Russians themselves what are their main objectives in Asia. One is to promote world revolution through revolutionary activity in the East, and two, to get Japan into the Communist camp if possible, or at least to weaken it so that it can be no danger to the Soviets. In my opinion, one of the reasons for the Communist aggression in Korea was to make more easy the eventual conquest of Japan. With the Soviets already in the

Kuriles to the north of Japan, possession of the Korean Peninsula by a Communist-dominated state would place Japan in the grip of Soviet pincers and make it difficult for the people of Japan to maintain real independence.

**QUESTION:** Would you say Communist imperialism today is a more immediate threat in Asia or in Europe, and do you think the young nations of Asia would be willing and able to defend themselves in the event of a Communist attack?

**Mr. ALLISON:** In my opinion, Communist imperialism is a greater immediate threat in Asia than in Europe. Through the Marshall Plan and the North Atlantic Pact the free nations of Europe have built up strength to such a position that it would be difficult for the Communist aggressors to make further gains without engaging in all-out war. This is not yet true in the Far East. As I have said, there is wide divergence among the countries of Asia in political, economic, and social development. Many of the new countries are just beginning to reach stability. They have many problems still unsolved, and because of many years of colonialism they do not yet have a sufficient number of trained leaders. It is easy for communism to spread chaos in Asia, and that is why it seems to me the greater threat is there. The second part of your question implies a situation which may not develop. You ask would the young nations of Asia be willing and able to defend themselves in the event of Communist attack. It seems to me Communist attack in the conventional sense may never come but that the greatest danger is constant pressure, subversion, and infiltration whereby the new and weak governments of Asia can be kept weak, can be kept divided among themselves. The seeds of dissatisfaction are being sown in these countries in the hope that they will almost imperceptibly drift into the Communist camp. That is the danger which we are facing, that is what we are trying to fight against by helping these countries to help themselves through our economic and military aid programs. At the two points in Asia where there is definite Communist military aggression, in Korea and Indochina, the peoples of those areas have shown that they are willing and able to fight, but they need help, and that help we are giving them.

**QUESTION:** In the past American attention has centered more on Europe than on Asia—in a sense it now becomes something of a political issue—but would you say that it is fair to conclude that it is our policy to treat Asians as "second-class expendables"?

**Mr. ALLISON:** I have no desire on this program to get into any political argument, but I think it is possible to look at what we have done and are doing in Asia, and if we do, I believe we will see that it is not the U.S. Government which looks on Asians as "second-class expendables."

## U. S. Policy in Asia

For 7 years the United States bore the main burden of the occupation of Japan. Not only did we do much to eliminate the vestiges of the old Japanese militarism, but we spent nearly 2 billion dollars to help feed the Japanese and make it possible for them to raise their war-shattered standard of living. The United States took the lead under the energetic and imaginative guidance of John Foster Dulles, but with the strong backing of President Truman and Secretary Acheson, in giving the Japanese people a liberal peace treaty enabling them to take their place in the world community as equal partners. The treaty made them completely free. We have signed a security treaty with Japan and are keeping U. S. Forces in that country in order to defend the Japanese against attack, as for the present they have no adequate defense force of their own. Is that the treatment normally given to "second-class expendables"?

When Communist aggressors invaded the Republic of Korea we, along with other members of the United Nations, took immediate action. Since then U. S. casualties in Korea up to July 25 of this year have exceeded 113,000, including over 18,000 dead. We are spending approximately 5 billion dollars a year for Korea, not including troop pay, food, or training costs, and, in addition, we have given over 700 million dollars of economic aid to the people of Korea. We have refused to agree to an armistice in Korea, although that meant continuing loss of American and other free nations' blood and treasure, on terms which would force Koreans and Chinese to return to Communist slavery and probable death.

In the Philippines, as a result of the Bell Mission Report and the Quirino-Foster Agreement, the United States has been carrying on a program of economic aid envisaging the expenditure of 250 million dollars over a 5-year period. This is in addition to the large sum—almost a billion dollars—which we have contributed to repair the damages of war in the Philippines. In addition to this economic aid, we have military agreements with the Government of the Philippines making clear that the American people have not forgotten what the Philippine people did between 1941 and 1945, and making clear that if trouble should come to the Philippines again they would not stand alone.

In Formosa, the United States has a military and economic aid program involving the expenditure of hundreds of millions of dollars. Our Seventh Fleet makes certain that any Communist aggression against Formosa shall not succeed. It will continue to do so.

In Indochina, the French and the peoples of the three Associated States are carrying the chief burden—it is not often realized that France has spent more in Indochina than she received through Marshall Plan aid, that for the last 7 years one-third of France's professional armed forces have

been engaged in Indochina, and that France is now spending more than a billion dollars a year defending that area. For our part, the United States is contributing approximately one-third of the cost of the Indochina operation. In addition, we maintain there a military advisory mission to assist in equipping the National Armies of the three Associated States and the French Union Army.

In Thailand, Burma, and Indonesia, there are smaller programs of economic aid. In the case of Thailand there is also a program of military aid and a military advisory group.

When we look at the Far East from Japan and Korea, down through Formosa, the Philippines, to Indochina, Thailand, Burma, and Indonesia, American blood or treasure (in Korea both) is being poured out with that of other free nations to help keep those countries secure from Communist aggression—actual or potential—and to give them an opportunity to develop as free and independent nations. Would these more than 100,000 American casualties and billions of American dollars have been sacrificed for people whom we considered "second-class expendables"? I think not.

But what of Russia? What is its ultimate purpose in Asia? To make the nations of Asia free? No. Remember Stalin said the East was the road to victory in the West—that is what they are interested in. They are attempting to use the people of Asia to achieve that victory. It is the Soviets—it is the Communists—who really believe the people of Asia are "second-class expendables." There have not been 100,000 Soviet casualties on behalf of their North Korean and Chinese Communist friends. No—they let them spend their own blood.

## Communist Motives for Delaying Korean Armistice Agreement

*Maj. Gen. William K. Harrison, chief United Nations negotiator at the Panmunjom armistice talks, made the following statement to Communist negotiators on September 6:*

Another week has passed and you continue to reject an armistice, insisting as its price that we return to you a few thousand Chinese prisoners who are determined never again to live under Communist control at any cost. We have offered you the opportunity to verify the attitude of those prisoners. You have refused to do so.

Let us consider dispassionately the obvious consequences of your continued delay in agreeing to an armistice. First, you are preventing the repatriation of about 83,000 of your captured personnel who will not violently resist.

Second, you force the continuation of the military conflict. The battleground is North Korea,



since you have failed to conquer and occupy the Republic of Korea. The people whose land is the battleground of the contending forces always suffer. North Korea is a small country, economically poor. Its people have already suffered much from the 2 years of conflict. Its economic life is gradually being destroyed as a result of your continued use of its area and facilities for the operations and support of your military forces.

The facts we have just stated are clear to all the world. It is inevitable that intelligent and decent people everywhere draw conclusions from these facts, conclusions regarding your purposes and methods. If you stop to consider what such opinions must be, you will see that delay in agreeing to an armistice works to your disadvantage.

First, let us examine the matter of those few thousand Chinese prisoners of war. They are just ordinary men, most of them of the lowest grade of your army. By entering into this conflict in Korea you have sent to death or serious injury many thousands of others like them. By continuing the fighting after your military invasion has failed you condemn still others to death. It is difficult to evade the thought that this loss of life stirs little regret in your minds. This inference immediately leads to a question. Why should these few thousand Chinese fear to return to their homeland? Why should men flee from their country, willing to go anywhere else in the world, but not to return to the control of their own rulers.

Civilized rulers allow their people to emigrate to other countries. You would have us force yours to come back to you at bayonet point. It is difficult for us to escape giving credence to reports which arise from many sources that you are afraid to have your people learn how much better are conditions in non-Communist countries for those masses of the population whom you call the proletariat. Possibly the other stories which we hear are true, that you intend to punish those who seek to escape from Communist control. If this information is accurate, you may as well recognize now that there is no possibility that we will force to be repatriated those who have begged us for asylum.

There may be still another reason for your continued insistence in making the forced repatriation of a few thousand Chinese the issue which delays or may prevent an armistice. There is a widely held suspicion that you really do not desire an armistice and that your negotiations are mere camouflage to conceal your real purpose to continue the conflict. If this suspicion ultimately proves to be true, the world will have discovered once again and beyond any doubt the futility of attempting to negotiate with Communists on any reasonable and honorable grounds.

The Chinese prisoners concerned are few in number. To recover them it appears that you are satisfied to cause the population of North Korea to suffer the gradual destruction of its economic life in addition to hunger, disease, dislocations of

homes, and other troubles which are the inevitable consequences of the military operations which you force them to support and maintain. These poor people are your so called "proletariat." The world asks you: "Have you no feeling of compassion for these people? Do their lives, homes, and happiness mean nothing to you?"

It is difficult to understand how the Communist rulers of North Korea can continue to support Communist Chinese demands while their own country and people suffer such great loss. In civilized countries governments are not indifferent to the needs of their people. In fact, much of your propaganda talks loudly about the good you seek to do for your countrymen. How can you expect anyone outside of communism, or in it for that matter, to believe other than that you are cruelly indifferent to your people, or that you are mere puppets of an alien Communist ruler, obedient to your master's command?

Naturally we do not expect you to answer, or admit the accuracy of these conclusions. But they are really inescapable as you will see if you stop to consider the matter from a logical and humane point of view. Everyday the atmosphere is filled with your propaganda. But propaganda uses words only. All of us know that actions speak much louder than words. People may believe oft repeated propaganda until they learn that it is false in fact; that the truth is just the opposite of the words. For some years now and as a result of Communist acts, not words, the people of the world have been increasingly recognizing the falseness of communism. Is the further delay of the armistice to become just another of these lessons teaching men to distrust and resist everything said or done by Communist rulers? We leave the answer to you.

If you are prepared to agree to an armistice we are ready to exchange lists of prisoners of war to be repatriated in accord with paragraph 51 of the draft armistice agreement. We have approximately 83,000 whom we can repatriate. You have stated often that you are prepared to repatriate all of our personnel in your custody, who now number over 12,000. If your list is in conformity with your past statements there should be no difficulty in reaching an armistice agreement.

## **U.S. Facing Renewed Communist Germ Warfare Charges**

Press release 732 dated September 15

The United States is once more faced with a new spate of phony evidence of bacteriological warfare in Korea and China. This time we are informed that an international commission of scientists has conducted an investigation and has come up with proof of the charges which the Com-

minist propaganda organs have been spreading around the world since last winter.

The Government of the United States has denied these charges repeatedly. It has repeatedly offered to submit them to impartial investigation. In each instance, the Communist powers have refused to permit an investigation by any body or organization which was not completely subservient to them.

Instead, they have produced a steady barrage of so-called evidence, prefabricated from plans drawn in Moscow, by persons whose allegiance to the Communist cause outweighs their regard for truth and decency.

This latest report is no exception. Peiping Radio acknowledges that the impetus for this so-called investigation came from the World Peace Council. The World Peace Council is the foremost Communist front organization in the field of propaganda. It is distinguished by its complete subservience to the Moscow line in all fields of endeavor. The personnel of the so-called International Commission of Scientists was selected by Communist leaders; they were conducted on their tour by Communist officials; and they have written their report under Communist aegis.

The United States stands before the tribunal of world opinion with clean hands. It has repeatedly signified its willingness to submit to a genuine investigation, asking only that the investigation be impartial and conducted by qualified personnel.

This has been the American stand in discussion of this question with other powers. It was the American position before the organs of the United Nations. It was the American position at the 18th International Red Cross Conference, where Communist delegates sought to inundate the conferees with propaganda concerning these charges. When the Red Cross Conference adopted a resolution urging the powers involved to agree upon an impartial investigation, the chief U. S. delegate immediately and publicly welcomed the action of the Conference.

The Communist leaders continue to turn a conveniently deaf ear to all proposals for a genuine inquiry. Instead, they substitute the alleged findings of their stooges, based upon lies, trumped-up evidence, and forced confessions.

## **U.S. Views on General Assembly Discussion of Korean Issue**

Press release 731 dated September 15

Certain confusion appears to have arisen in the public mind concerning the relationship of the armistice negotiations at Panmunjom and the discussions of the Korean issue which may be expected in the U.N. General Assembly.

Since the establishment of the Republic of

Korea, the United Nations has had a broad and general interest in the political and economic development of a unified Korea. These problems have been discussed in various meetings of the General Assembly since that time and will undoubtedly be discussed in the forthcoming session at New York.

As distinct from these general considerations, the United States, in consultation with other principally concerned countries, has assumed the responsibility, as part of the military mission assigned to it by the United Nations Security Council, for the conduct of the negotiations with the Communists for a military armistice. It continues to be the view of the U.S. Government that this is the proper and appropriate means of conducting these negotiations.

## **Secretary Acheson Comments on New Sino-Soviet Agreement**

*Printed below is an account of remarks regarding the new Chinese-Soviet agreement made by Secretary Acheson at his press conference on September 17.<sup>1</sup> When asked by a correspondent whether anything could be added to a comment made the previous day on the matter by Michael J. McDermott, Special Assistant for Press Relations, Secretary Acheson answered in the following vein:*

He had been looking that morning at a copy of a memorandum of the press and radio news conference of the 15th of February 1950, where, he said, they had discussed together the treaty between the Soviet Union and the Chinese Communist Government, and that there were some things there that might be interesting to recall.

Secretary Acheson recalled that at the beginning of his comment he had pointed out that there might very well have been and probably were agreements which were not reduced to writing and perhaps would not be, and that he had added that undoubtedly more would come out from time to time. He had said that he thought that that was very probably the case, and that all of what had been done would never come out in printed form. The Secretary reminded the correspondents that he had commented that that would develop, if at all, out of the conduct of the Soviet Union over the next months and perhaps years, because one of the most familiar patterns known

<sup>1</sup> The agreement, whose terms were announced at Moscow on Sept. 15, provides that the Changchun Railway will be returned to the control of the Chinese Communist regime but that Russian forces will continue to be maintained at Port Arthur. The agreement relates to a treaty made in Feb. 1950 between the two countries; the latter provided that Russia was to return both the railway and Port Arthur to the Chinese Communist regime by the end of 1952.

was that most of the agreements made by the Soviet Union had their most important provisions in secret protocols.

The Secretary continued by saying that he had said that this treaty referred to eagerness of the parties to it to agree with the rest of the world on a Japanese peace treaty, and that he had commented that that had not been demonstrated in an outstanding manner over the recent past because so far we had not been able to agree with them on the procedure within which to discuss a treaty.

Secretary Acheson also recalled that a correspondent had commented that the Chinese Nationalists seemed to think that there was something significant in the selection of the date 1952 for the Russian evacuation of Port Arthur and, of course, that that year was important from other points of view. The correspondent had then inquired if it was possible to state if the Department had any information that would give any particular significance to the year 1952. The Secretary said that he had answered in the negative and had stated that he had no information of any sort on that, saying that it had the happy result of putting it off quite a while. The Secretary then had added that the Soviet Union had been in occupation of those areas; that a great many things might happen before 1952 which could prolong the period and that even if they did not happen, there again Soviet influence would be so solidified that by the time one took away the ostensible troops, control would be quite firmly established.

The Secretary concluded by saying that he thought that that had been an interesting comment of more than 2 years ago and that we were seeing some of it coming out now.

## **U.S. Encouraged by European Unity Efforts**

*Press Conference Statement by Secretary Acheson*

Press release 736 dated September 17

During the past week we have witnessed two closely connected events which have far-reaching significance for the future of free Europe. The first was the initial meeting of the Assembly of the European Coal and Steel Community. The second was the decision by this Assembly to study immediately the formation of a European Political Authority.

It is not possible at this time to predict where these studies will lead, nor to anticipate the nature and scope of the political structure which may be created. The important fact is that this decision demonstrates, perhaps more forcibly than any action yet taken, the strength and momentum of the movement toward European unity.

The United States will continue to encourage and support the efforts of the statesmen and peoples of Europe to achieve a close and enduring unity because we are convinced that this unity will contribute substantially to the strength and prosperity of our European friends and to the success of our mutual efforts to maintain peace in the world.

## **Department Publication on Forced Labor in U.S.S.R.**

*Statement by the President*

White House press release dated September 18

Most of you are probably aware that the United Nations has been investigating the practice of forced labor and the United States has been most anxious that the facts be made known. I therefore want to call to your attention today this factual exposé of forced labor in the Soviet Union and its satellites which was compiled by the Department of State.<sup>1</sup> It contains many vivid examples of what it means to live under the present Soviet rulers and indicates the scope of this practice in the Russian sphere and its economic and political significance.

With the urging and support of labor organizations, particularly American labor and the International Confederation of Free Trade Unions, the United States and Great Britain requested the United Nations to investigate forced labor wherever it exists in the world. As a result, the United Nations created a special committee headed by an outstanding Indian leader, Sir Ramaswami Mudaliar. This committee held hearings in New York in June and will continue its investigation in Geneva beginning October 14. The U.S. Government made available to the U.N. committee such evidence as it had of forced labor in the Soviet sphere. The State Department has summarized all these facts in this booklet.

<sup>1</sup> For excerpts from this publication, *Forced Labor in the Soviet Union*, Department of State publication 4716, see BULLETIN of Sept. 22, 1952, p. 428.

## Disarmament and Technical Assistance: The Way to a Better Life

*Address by Durward V. Sandifer*

*Deputy Assistant Secretary for United Nations Affairs<sup>1</sup>*

The occasion of this great Centennial of Engineering recalls the remarkable degree to which engineering and technology have in the past century succeeded in overcoming obstacles standing in the way of a better life. Your success has opened a vast and undreamed of prospect for mankind—a prospect almost terrifying in its potentiality for good or evil, depending on the road which mankind takes. That is where your calling and mine join, for those of us who work in the field of diplomacy are acutely aware of our responsibility to assist in finding the road which leads to peace and security, to the fuller enjoyment of the fruits of your labors. This is a responsibility which we share with you. That is why I am happy to join in welcoming those of you who are visiting from other countries and to wish you a pleasant and profitable stay.

No one knows better than you the terrible necessity for bringing to effective political control the weapons of destruction with which men have periodically slaughtered each other. Perhaps international anarchy and the persistence of the dueling code among nations were tolerable in the days of the battle-ax, the sword, and the spear, or even in the day of the rifle and long-range artillery.

But it is unthinkable in the age of atomic bombs, atomic weapons, hydrogen bombs, guided missiles, and jet planes. We have moved from the day when wars could only be carried out by killing in hand-to-hand combat into the day when one man in a jet bomber with a few assistants can destroy a city. Man must subject these engines of destruction to mutual world control or perish. Others may dismiss this as a dramatic figure of speech. You engineers cannot escape the knowledge of its awful reality.

I am reminded of an incident which took place during the question period after an address made by Dr. Einstein several years ago. A feminine

listener said to Dr. Einstein: "What weapons will be used in the third world war?" Einstein replied: "Madam, I cannot answer that question, but I can tell you what weapons will be used in the fourth world war. Rocks!"

While we strive to control destruction, we must at the same time press forward the construction of a better way of life.

The United Nations offers the best hope man has developed to date for mastering both of these tremendous problems. But it is only to the extent that it finds a way to use your engineering know-how that this hope can be made real. The build-up of armaments for security, the technical knowledge essential to safe disarmament, the prosecution of a technical assistance program—all depend for successful execution upon the body of knowledge represented by your profession. Engineering and multilateral diplomacy effectively linked offer the world hope of peace and a better life.

### **An Apparent Inconsistency**

It may seem inconsistent to you for the United States and the United Nations to devote time and energy to disarmament when at the same time we are bending every effort to achieve a vast rearmament program on our part and that of our allies. Actually, the two programs are not inconsistent. President Truman, in explaining the significance of the disarmament proposals which were advanced in the U.N. General Assembly by the United States, France, and the United Kingdom, reaffirmed the determination of the United States to win real peace, based on freedom and justice.<sup>2</sup> He said that we will do it the hard way if we must, by making the free world so strong that no would-be aggressor will dare to break the peace. But the United States will never give up trying for another way to peace—the way of reducing the

<sup>1</sup> Made at the Centennial of Engineering celebration at the Museum of Science and Industry at Chicago on Sept. 3.

<sup>2</sup> For the President's address, made Nov. 7, 1951, see BULLETIN of Nov. 19, 1951, p. 799.

armaments that make aggression possible. That is why we have made these disarmament proposals in the United Nations and why we shall continue to seek workable agreements on disarmament.

A disarmed world must rest upon two basic principles. They are tersely stated in the "Essential Principles for a Disarmament Program," presented by the United States to the U.N. Disarmament Commission on April 24.<sup>3</sup> In the first place, "the goal of disarmament is not to regulate, but to prevent war by relaxing the tensions and fears created by armaments and by making war inherently, as it is constitutionally under the Charter, impossible as a means of settling disputes between nations." Secondly, in order to achieve this goal "all states must cooperate to establish an open and substantially disarmed world"—a world "in which armed forces and armaments will be reduced to such a point and in such a thorough fashion that no state will be in a condition of armed preparedness to start a war," and "in which no state will be in a position to undertake preparations for war without other states having knowledge of such preparations long before an offending state could start a war."

What we have been doing in the Disarmament Commission since its organization in February pursuant to the Disarmament Resolution adopted by the General Assembly last fall is trying to put meat on the bare bones of these propositions.

The United States, the United Kingdom, and France have presented a concrete program to the Disarmament Commission in a series of four papers. This program stems from the basic premise that an effective system of inspection and control is essential to any safe disarmament program. The plan starts, therefore, and must start with the proposals for progressive and continuing disclosure and verification of all armed forces and armaments. We must know in the beginning and at all times exactly what armaments every nation has. This disclosure and verification would be carried out in a series of stages, each stage to follow when the previous one had been satisfactorily completed. But even the first stage would include important information. For example, the disclosures in the atomic field would give a clear indication of existing atomic strength—our own and that of other countries. Most important of all, disclosure and verification would be carried out by an international organ with full authority to guarantee faithful performance by all states.

Next, the program envisages a progressive reduction of armed forces and permitted armaments to maximum levels, radically lower than present levels.

The essence of our proposal for fixing numerical limits on armed forces is the suggestion that there should be maximum ceilings for the United States, the Union of Soviet Socialist Republics, and China, which should be, say, between 1,000,000

and 1,500,000 men; that the maximum ceilings for the United Kingdom and France should be, say, between 700,000 and 800,000.

In addition, there would be agreed maximum ceilings for all other states having substantial armed forces, fixed in relation to the ceilings agreed upon for the Five Powers. The ceilings to be aimed at would normally be less than one percent of the population and would normally be less than current levels.

The numerical limitations proposed are flexible, and are not intended to be final or exhaustive. They are offered not as fixed limitations but as tentative standards to serve as a basis for negotiation.

These numerical limitation proposals stress one of our fundamental objectives in the disarmament field. We would eliminate as far as possible the danger of resort to war by reducing the practicability of successful aggression. Genuine enforcement of agreed levels of armaments would prevent the excessive concentration of power which has always been such a threat to peace and security.

### Five Power Conference Proposed

Next, as a means of implementing these proposals, we have suggested that when we can get agreement on some of the basic ideas, the representatives of the Five Great Powers should get together to seek agreement on three particular points: How they would allocate their permitted armed forces among their respective armed services; what armaments and how much of them they would consider necessary and appropriate to support these limited armed forces; and how they would prohibit and eliminate all armed forces and all armaments other than those expressly permitted. This might be followed by regional conferences including all other governments having substantial military forces, in order to reach similar agreement on the over-all numerical ceilings for their armed forces and on the three problems which I have just mentioned. The drafting of treaties on the basis of agreements thus reached would follow. Again the international control authority is central to the plan with full power to insure the carrying out of the limitations, reductions, and prohibitions.

Finally, an essential part of this comprehensive disarmament plan is the system for atomic energy control. Until a better or no less effective system is devised, we continue to support the U.N. plan approved by the overwhelming majority of the members of the United Nations in the General Assembly of 1948. This plan was the product of the most thorough study in the U.N. Atomic Energy Commission. It calls for the elimination of atomic weapons through an iron-clad system of international control to insure that atomic energy is used for peaceful purposes only.

That is but a brief sketch of what, I submit, is a major and sincere effort by the United States, the

<sup>3</sup> *Ibid.*, May 12, 1952, p. 752.

United Kingdom, and France to promote disarmament—an effort which has received general support from all members of the Disarmament Commission except the Soviet Union. What is the record of the Soviet Union?

### The Soviet Record

The Soviet Government rejects out of hand all these proposals. It offers nothing in their place but the discredited program decisively rejected by the General Assembly in Paris and in previous sessions of the General Assembly, the Atomic Energy Commission, and other U.N. bodies. That is an immediate prohibition of the use of atomic energy and a reduction by one-third of the armaments of the Big Five—this without the institution of any effective system for the inspection and control of armaments. They talk about an organ for the control of disarmament, but one which would not have the right to interfere in the domestic affairs of any state. They would rob us of our principal weapon of defense against aggression while leaving substantially intact their great mass armies with their existing ratio of superiority over the armies of other countries—and even this without any guaranties of compliance or enforcement. As our representatives have repeatedly declared, we will not accept mere paper guaranties. We will entrust our security only to a bona fide system of control and enforcement with real authority to see that every state lives up to its promises.

In the Disarmament Commission, the Soviet representative has resorted to an unceasing barrage of vilification of our motives, deliberate misinterpretation of the tripartite proposals, and attempts to divert the Disarmament Commission's attention by the repetition of monstrous falsehoods about the alleged use of bacteriological weapons by the United Nations in Korea. Apparently the Soviet Union prefers to use the disarmament discussions as a propaganda platform rather than engage in a bona fide mutual negotiation on concrete ways in which to achieve it.

Nevertheless, we intend to press forward in the Commission in the hope that the time will come when the Soviet Union will decide that it really wants to consider the substance of these problems. The proposals which we make are concrete and sincere. They are the result of wide examination and mature consideration within the U.S. Government and the other sponsoring governments. Our proposals are business propositions. They are not mere propaganda. We are prepared to live with them.

We want to reach effective agreements on disarmament. We deeply hope we can reach these agreements. Until we do, however, we must continue to seek security in the other way which President Truman described: By making ourselves so strong that a would-be aggressor would not dare attack.

### Technical Assistance To Raise Living Standards

The disarmament program is intended to free men from the threat and destruction of war. Its counterpart, the technical assistance program (more popularly known as the Point Four Program), is designed to give man the food and health and knowledge with which he can enjoy this freedom. This is to be done by carrying to the underdeveloped areas of the world the technical and industrial know-how of our industrial age. The aim is to raise the barometer of peace by lifting the level of man's life.

I will not attempt a technical review of the program. I will only give you a glimpse of its potentialities through specific examples of what it is doing.

The technical assistance program of the United Nations and the specialized agencies is now operating in about 70 countries and is providing assistance in many fields. Of the 742 experts now actually at work in these countries (with some four to five hundred having finished their tasks), a very large number are from engineering or allied fields. They are sanitary, electronic, hydraulic, or aeronautical engineers, specialists in land reclamation and irrigation, in industrial methods and processes, et cetera.

Since the U.N. agencies have no operating responsibility for the various development projects under way in these countries, the work of these experts takes the form of teaching or training, of advising or demonstrating. This is not, in other words, a program of capital investment nor of contracting for the actual construction or management of these various development projects.

But, as a result of the work of these experts, a number of governments are already beginning to provide increased capital for projects whose feasibility has now been established.

Let us take Pakistan as an example. Here the U.N. Food and Agriculture Organization (FAO) has made available an American refrigeration engineer to assist in planning a modern meat-packing plant. Having helped in drawing up the plans, he is now in this country getting bids for the necessary equipment. Pakistan is supplying the capital, the FAO's contribution being limited to the cost of the expert's salary and maintenance. In Pakistan, the FAO has also made available two experts in harbor development from the Netherlands to assist in planning modern fish-processing facilities in the port of Karachi, with modern warehouses and iceplants. Also in Pakistan another Netherlands engineer assigned by the U.N. Technical Assistance Administration is drawing up a multipurpose scheme to improve the country's inland water-transport system. The United Nations Educational, Scientific and Cultural Organization (UNESCO), the U.N. agency concerned with promoting international cooperation in science and education, has provided engineers, one from Switzerland and one from New Zealand, to

advise on radio transmission problems as part of a project to develop a modern educational broadcasting service in Pakistan, a land of isolated villages. This work is now being taken over by the International Telecommunication Union.

Or take the case of Ecuador. Here a French hydraulic engineer provided by UNESCO is helping the Government to prepare a program of hydro-electrical and irrigation development and has prepared a plan for the creation of a national institute of electrical engineering. Experts provided jointly by the International Labor Organization and UNESCO are advising the Government concerning the promotion of technical education and scientific research. Sanitary engineers from the United States assisted in the construction of water supply and sewage disposal systems.

An expert on lignite surveyed the deposits in the province of Lanar, and it was determined that lignite could be processed successfully and economically for use as an industrial fuel. A second expert was then sent down to plan the introduction of appropriate mining methods and for the introduction of the necessary up-grading processes.

### **Programs in Ethiopia**

In Ethiopia—a country where economic development and the development of communications and transportation go hand in hand—the United Nations, the International Civil Aviation Organization, the International Telecommunication Union, and the International Bank have all been giving assistance to the Government in overcoming its transportation and communication problems. In addition to providing experts to help draw up plans for a road-building program and for rehabilitating and expanding the telecommunications system, the International Bank has loaned the country some 8.5 million dollars for implementing these plans.

The Civil Aviation Organization has been training Ethiopian nationals in all phases of air-transport operations, including both ground forces and fliers. A small civil aviation training school was established, where instruction was given in radio communications, aeroengine maintenance, and meteorology. Since the middle of 1951, 12 mechanics have been trained and are working in the repair shops of Ethiopian airlines; 25 radio mechanics have been trained and are now maintaining and repairing radio equipment of the Addis Ababa airport; 25 meteorological observers

have completed their course and are now staffing a network of weather reporting stations, the first that Ethiopia has ever had. Five Ethiopians have been trained as pilots, have obtained their licenses, and are continuing their advanced studies to form the nucleus of a well-trained corps of pilots.

These are examples of what is going on in many countries which have requested technical assistance from the United Nations and the specialized agencies.

### **A Formidable Recruiting Task**

The problem of recruiting men and women who are technically qualified and also have the flexibility, understanding, and human qualities to do this kind of pioneer work is formidable—and the success of this program depends on those who carry it out. Hundreds of engineers of all kinds will be required in the years ahead—a challenge which the engineering profession will, I am sure, be glad to accept.

So long as the United Nations continues to demonstrate such vitality and vision we need not be discouraged by the alarms of those of little faith crying failure through the land. You whose lives are dedicated to overcoming physical and technical obstacles which, to the layman, seem insuperable well appreciate the value of patience and the indispensable need for persistence, vision, and the courage of one's convictions. But for these qualities, few of the technical feats whose accomplishment is commemorated by this great centennial would have come to pass.

Surely these same qualities are equally required for meeting the great challenges confronting the United Nations. We cannot admit that the political differences which now impede its work are insuperable nor that they should be permitted to paralyze action in fields where action is possible.

The United Nations is but a social and political agency of its members. Like all such agencies it must depend for its motive power upon the devotion and energy of its constituents. This can only come from the persistence, courage, and vision of the people of the member governments of the United Nations. Lacking these, it cannot go forward. If these are forthcoming in full measure, no obstacle will long delay its forward progress. The great body of engineers will, I am confident, in the future as in the past be found in the vanguard of that progress.

## Encouraging a New Sense of World Brotherhood

*by Isador Lubin*

*U.S. Representative to U.N. Economic and Social Council<sup>1</sup>*

U.S./U.N. press release dated September 12

You have asked me to bring you today a message of our responsibility in international affairs. It may be useful if I share with you some of the experience I have gained while representing the United States in the Economic and Social Council of the United Nations.

I would like to say at the outset that our responsibility in world affairs is commensurate with the problems we face. A foreign policy fails if it is unable to cope with the day-to-day tasks that confront it. But it is not enough that we face up to our problems as they present themselves. We must ferret out our problems in their incipient stages. We must define them as well as we can. Then we must take stock of the measures at hand to meet them and go into action.

Helping us to discern and define our many foreign-policy problems, we have, in the United Nations, one of our most useful implements. No longer do we depend for our information solely on the coded telegrams from diplomatic missions or upon reports in the diplomatic pouch supplemented by newspaper dispatches. Voices representing people living in every quarter of the globe now tell their own stories in United Nations forums of their difficulties and their accomplishments, in public, for all to hear.

Many of these voices are strange and new, coming from countries unfamiliar to many of us in America. Indonesia, Pakistan, Lebanon, Burma, Libya—these are only a few. Until the United Nations was founded, these countries had little or no opportunity to make themselves heard as independent nations in any world council. Not only are their voices and their accents strange but the things they say we sometimes do not understand. Sometimes they make us angry. We

are learning to live with people whose histories and whose viewpoints are sometimes very far from our own.

The speeches I have heard around the Council table and in the General Assembly, coming from representatives of underdeveloped countries, tell a consistent story of hardship and suffering throughout a vast area of the world—Asia, the Middle East, Africa, Latin America. We do not have to take their word for their plight. The United Nations has gone out to get the facts. The facts give cause for dismay—and for prompt and concerted action.

Recently the United Nations completed a thorough survey of world social conditions.<sup>2</sup> It is one of the important documents of our times and I commend it to you if you have not already read it. Let me review for a moment some of the facts it revealed.

The population of the world has now grown to some 2,400 million persons. It is growing at a rate that exceeds 1 percent per year. The new population amounts annually to from 26 million to 32 million. This is about equal to the population of Spain. It is considered likely that the peak of acceleration which has been going on for 2 decades now has been reached. But, even at the present rate of growth, the population problems are immense.

### Problems Confronting Underdeveloped Countries

Associated with this population problem is one that is equally dangerous—that is, the wide disparity in the conditions of life among these nearly 2½ billion persons. Half the population of the

<sup>1</sup>Address made before the National Conference of Catholic Charities at Cleveland Sept. 14.

<sup>2</sup>The Secretary-General's Preliminary Report on the World Social Situation (U.N. doc. E/CN.5/267). For a summary statement on the report by Walter M. Kotschnig, Deputy U.S. Representative to the U.N. Economic and Social Council, see BULLETIN of July 28, 1952, p. 142.



world lives in Asia but they receive only 11 percent of the world income. In North America, which contains about 10 percent of the population, the people earn nearly 45 percent of the world's income. Africa has 8 percent of the population and 3 percent of the income; the remainder of the world—Europe, the Soviet Union, and Oceania—has 25 percent of the population and 40 percent of the income. And the tragic fact is that these disparities are widening rather than narrowing.

Sixty percent of the world's population depends on agriculture for a livelihood, but in underdeveloped countries the percentage ranges up to 80 percent. In many instances these farmers are crowded to the point where the so-called rural population is packed into what virtually constitutes an endless village. In Japan, despite the enlightened land-reform program initiated there under the American occupation, an average of 698 persons live on every square kilometer of cultivated land. In Egypt, 500 persons live on each square kilometer in the Nile Valley. On the island of Java in Indonesia, there is a density of 360 persons. The comparable figure for the United States is 21 persons.

The first and most important problem which confronts these people is the life-and-death matter of food. And, to compound this problem, there is the fact that restoration of destruction both in Europe and Asia, caused by World War II, still has not been fully completed. This damage was not only to the land. Livestock and machinery were destroyed and carried off, buildings burned, storage capacity destroyed, processing plants ripped up, and the skills of the people diverted. In Asia, production of rice, which constitutes 70 percent of the food in that area, still is 2½ percent below prewar levels. In contrast, the population is up 10 percent. Europe, with the aid of the Marshall Plan and, more recently, of mutual security funds, has shown the best comeback. Still, despite increased output in the United States and Canada, food production per person the world over is today less than it was before the war.

So, we have three items on the negative side of the balance, namely: enormously increasing populations; dangerous diversities among conditions of life; and, despite all the improvements that have been brought to bear, dangerous underproduction of food.

Hand in hand with these goes a more positive item, namely, world-wide improvement in health. Modern methods of medicine and the treatment of disease have contributed to a lowering of death rates, which in some instances—Puerto Rico, for example—have dropped as much as 50 percent in a relatively few years. The discovery of DDT and similar chemicals has made it possible to eliminate malaria from Italy, Brazil, and Ceylon. These are actual accomplishments. Yet, 300 mil-

lion persons still continue to suffer from malaria, and, of these, 3 million die annually. The discovery of penicillin has enabled attacks on other mass diseases. Yaws, which once was rampant over most of the land area between the two tropics, now can be stamped out at a modest cost per person.

Developments such as these have the effect of increasing total population. But—and this is the hopeful side—these developments can at the same time be a factor in increasing the food supply. A farmer free of malaria is better able physically to tend his crops.

I have mentioned merely the principal aspects of the broad panorama of how the world lives. I have not mentioned the very severe shortage of housing—a shortage which contributes to such basic ills of society as disease, delinquency, and other maladjustments. It is estimated that the world housing deficiency amounts to 180 million dwelling units.

Nor have I mentioned the millions of refugees who have fled or been driven from their homes—by the Nazis, before and during the war, and later by the Soviets and their satellites.

Now, I am an economist by profession, but I know only too well that some of the most important facts in the world cannot be measured by figures and facts. The conditions I have just outlined are only half the story. The other half—the more important half—is the fact that a revolution of epochal proportions is taking place in the minds of the people most affected by abysmal conditions. Let me read a brief passage from this same U.N. social report:

To an extent which might have seemed inconceivable even fifty years ago, there has come increasing recognition that 2,400 million people have somehow to contrive to live together, and share together the resources of the earth; that the general impoverishment of any area is a matter of concern to all areas; and that the technical experience and knowledge acquired in rapidly changing industrialized societies have somehow to be made available to those communities that are less advanced and less well-equipped.

The report quoted from a distinguished historian to the effect that, in the broad sweep, the twentieth century will be chiefly remembered in future centuries not as an age of political conflicts or technical inventions but as an age in which human society dared to think of the welfare of the whole human race as a practical objective.

This objective of over-all human welfare is not only a practical objective. It is also a vitally necessary one. As the report continues:

Simultaneous with the growth of an international ethic of mutual aid, there has spread among impoverished peoples of the world an awareness—heightened by modern communications and movements of men—that higher standards of living not only exist for others but are possible for themselves. Fatalistic resignation to poverty and disease is giving way to the demand for a better life. The demand is groping and uncertain in direction, charged with conflicting emotions regarding the old and the new, but it is nonetheless a force that is establishing an irreversible trend in history.

And there we have the nub of our problem. People no longer accept hunger, disease, and misery with fatalism or despair. They demand that their conditions be improved.

Where women cook on stones and clean their dishes with ashes, as in parts of the Caribbean; where nearly half the children die before they are 15 and the average person dies before he is 30, as in some sections of India—under such circumstances life is bitter and hostile, full of frustration and despair. But today, modern means of communication penetrate the most remote communities. Those who cannot read and write—and that means nearly half the world—can listen to the loudspeaker set up in the village square. Their thoughts are stirring and they seek answers to their pressing needs.

### **Where Communism Makes Its Greatest Gains**

The mere statement of the conditions under which a billion people are living today is a statement of a problem that clearly affects the American people and their future security. This problem is: life under such conditions breeds a psychological climate in which communism makes its greatest gains.

To the struggling peasant, the Communists cry, "Land for the landless!" The farmer, oppressed by burdensome taxes and exorbitant rents, sees hope in this promise. His limited experience does not enable him to realize that the Communist system of land distribution leads not to individual ownership, in which those who till the soil reap the benefits of the harvest, but rather to a collective system which exploits the individual to enlarge the power of a cruel and dictatorial state.

To the masses, the Communists cry, "Death to the bloody imperialists. Down with the greedy capitalists!" The impoverished wage earner listens often with a heart full of resentment, for the capitalism he knows is a feudal and repressive landlord, and the overseas record of the capitalism of free and enlightened countries, we must unfortunately admit, has not always been without its unsavory chapters. But what the unwary listener does not know is that communism itself is the most vicious imperialism yet conceived by man and that a so-called "liberation" by a Soviet-type government leads not to freedom but to the forced-labor camp.

But even if the threat of communism should by magic fade away, there is no assurance that the festering sores of poverty and ignorance would not spread into another totalitarian disease fully as virulent and destructive as communism. In a state of suffering, aggravated by the belief that a scientifically advanced world cannot end that suffering, peoples may well turn to false leaders and to other vengeful ideologies, still unformulated, holding dire consequences for all mankind.

These, then, are the facts and factors involved

in one of the most baffling problems of foreign policy facing the American people. The first is widespread, deplorable standards of living—so low as to be incomprehensible to the American mind, for few of us have ever experienced anything like it. The second is afflicted people stirring in a new-found hope that the developments of science and a new sense of world brotherhood will aid them in emerging from their dark way of life. The third is hundreds of millions of people attracted by communism's glittering propaganda of false promises.

What is the answer to these problems that are basic to the formulation of American foreign policy? It is futile to expect a sudden end to the conditions that now prevail. Development is a matter of growth over an extended period of time. Even if the world had the financial and technical resources to flood Asia, the Middle East, Africa, and Latin America with outside assistance, minimum modern standards could be achieved only within decades and generations. Education, skills, technology do not spring up overnight. Resources are not developed in a few weeks' time.

Nor can we compete with Communist promises by offering more promises than they do. Unrestrained by truth or by any moral code, the Communists can out-promise the Western world until the devil himself won't have it. We can answer, we can explain, we can argue, we can educate—and we do, because we must. But words alone are not enough. Many of the people of the underdeveloped regions feel themselves caught between two great barrages of propaganda. Many do not know which to believe, which way to turn. They are neutral, and neutralism in the struggle for men's understanding is one of our most stubborn problems of foreign policy.

There is an old piece of advice, customarily meted out to young ladies, that the way to a man's heart is through his stomach. As a representative of the male species of human beings, I feel that I possess some qualifications for expressing the opinion that, while this adage is not completely accurate, it is good advice. The stomach route is an excellent route, though not the only one, to a man's affections.

### **Encouraging Individual Initiative**

By the same token, one of the best routes to the minds of the people of the underdeveloped countries is through their own well-being. It takes no literacy at all for a farmer to understand that once his malaria is cured he can make his fields produce more bread. It takes only the most elementary understanding to comprehend that improved seeds grow better crops, or that a safe water supply makes for a healthy community. A mother knows without expert advice why her children die and rejoices when modern medicine diminishes the death rate.

These are techniques which people can master by themselves. The greatest resource of the less developed areas of the world is their human resource. As sick bodies are made well, as adult education finds new skills and talents among the illiterate, as hunger is dissipated, and the mind is applied with ingenuity to their local problems, the people themselves take over their development in their own ways. We don't expect miracles. We *can* expect progress.

One of the best illustrations I know is a program undertaken by the Indonesian Government with the assistance of the World Health Organization. With a few shots of penicillin costing about two dollars a person, 300,000 people in a selected area were cured of yaws, a painful and debilitating tropical skin disease. In the villages where this occurred, the transformation was startling as compared with yaws-infested communities. Their houses and children are clean, their livestock and crops are well cared for. Farmers' clubs and rural extension courses have new popularity. In one section, a 60-mile canal is being dug with volunteer labor to bring water for wet rice production. They are using only picks, shovels, and baskets, and a powerful new asset—their new zest for life.

This is *practical* experience in the advantages of *freedom*. The Indonesians in this instance found out for themselves what they could do by their own efforts. We call it individual initiative, the heart of our free-enterprise system. In this case it was transplanted to a distant part of the world. Those seeds, if nourished, will grow.

This is the *practical* experience that best combats neutralism and communism. Progress replaces stagnation. Hope drives out despair and the outlook of entire peoples is transformed. The free system can be sold more readily than the Communist system because it is practical. But it won't sell itself to people who have not had experience with its usefulness. They must see with their own eyes how freedom works for their benefit.

This, I want to add, is the policy of your Government for meeting the problems I have described. It is carried out on a world-wide basis under the programs of technical assistance operated under the Point Four Program and, in collaboration with other contributing countries, under a special United Nations program. It is one of the most effective tools of international diplomacy ever discovered. We must apply it with greater vigor.

One of its best features is that by arousing the maximum participation of local resources, it diminishes the need for financial assistance from outside sources. It likewise contributes to the kind of economic and political stability favorable to private investment.

This is not to say, however, that it eliminates the need for intergovernment assistance. Economic development requires electric power, port facilities,

railroads, and irrigation developments. These and other projects pay a return on investment over the years, but they sometimes require capital assistance to get started. The International Bank is doing this type of lending.

Development also calls for schoolhouses and roads, and sewers, which do not ever pay a direct return in dollars. The United States, under the Mutual Security Act, is providing grants for worthwhile projects of this kind.

These are only our economic tools. There are many others. Our task is so huge, and the danger from unfriendly ideologies so great, that no implement should be left unused.

### Some General Practitioners in Social and Economic Welfare

I was fascinated recently when I read in one of your Catholic publications a story related by Bishop Raymond A. Lane concerning the work of Catholic priests in South America.

One was Father Gordon N. Fritz, who set out to work among the jungle folk of northern Bolivia who live among the treacherous, green tributaries of the Amazon. "With the help of a dozen ox-carts and a new tractor, the first ever seen in the region, they worked together to haul all their crude rubber out of the jungle at one time," Bishop Lane wrote. "Besides cutting down the work involved, this method produced a larger supply of rubber which commanded a better price than individual quantities would."

Afterward, Father Fritz sent this message to Bishop Lane: "Hauling rubber seems a far cry from baptisms and catechism classes, but it has a direct effect on the lives of the people. No rubber, no clothes. No clothes, no school. And with no school, there is little chance for religion. So to keep religion going, we have to keep the rubber rolling, too."

Another priest, Father Felix J. McGowan, toiling in the same region, put it succinctly by saying: "We don't expect to find our people practicing virtue on an empty stomach."

Nor, may I personally add, do we expect to find people fighting communism on an empty stomach. If we continue to lag—as we are lagging—in the struggle to provide food for a growing world population, we must consider what can be done in good conscience and with moral forthrightness to shape the problem of population growth within manageable proportions. This, too, is part of the total struggle for a free way of life. I need not tell this audience that where communism takes over, religious institutions are the first to be killed off.

The work of missionaries such as Father Fritz and Father McGowan is typical of the jobs that have to be done in literally millions of communities in all parts of the world. They are acting as general practitioners in social and economic

welfare. They have gone into the outlying communities with their sleeves rolled up. They have sought out the crucial problems of the village or the countryside and used their resourcefulness to solve them, to bring about higher standards of living.

Frequently, a single individual who has the knack of making friends with ordinary people can become a catalyst for an entire community. He can demonstrate how, through their own efforts, they can take the clay at their doorstep and build a better house—how they can use the materials and the implements at hand to fashion a better life.

This is foreign policy in shirt sleeves. It is diplomacy that brings one people in friendly contact with another, far away. It is hard work. It will take many hands, including your own. But it is indispensable in the construction of a peace that will benefit generations yet to come as well as our own.

## **MSA Allotments for U.K., Iceland, and West German Republic**

The Mutual Security Agency (MSA) announced on September 15 that allotments of 1952-53 defense-support funds totaling \$139,705,000 have been made so far this fiscal year to three European countries.

The allotments provide \$137,318,000 for the United Kingdom, \$1,787,000 for the West German Republic, and \$600,000 for Iceland.

The allotment to the United Kingdom includes \$37,318,000, which is an obligation of the United States to the United Kingdom arising out of operations of the European Payments Union (EPU). This sum, plus \$50,000,000 which was allotted during fiscal year 1951-52, covers MSA's obligation to the United Kingdom through May 31, 1952, under an agreement made when the EPU was formed. Under this agreement, the United States is to reimburse the United Kingdom for losses of gold resulting from the use through June 30, 1952, by other EPU countries of certain pre-EPU sterling holdings.

Allotments are made to permit the participating countries to plan their dollar-import programs and submit specific procurement authorization requests to MSA. The allotments do not necessarily represent either a fixed proportion of total aid for the whole fiscal year or aid for any specified time period within the year.

Discussions and negotiations are currently being conducted with the other Western European countries participating in the Mutual Security Program and initial allotments of funds will be made to them in the near future. Total aid figures for

the year, however, will not be determined until later in the fiscal year.

In the case of the North Atlantic Treaty Organization (NATO) countries, the annual aid figures will not be finalized until the Organization for European Economic Cooperation (OEEC) and NATO have completed reviews of the military goals, defense programs, and economic capabilities of member countries. Both reviews are expected to be completed prior to the December 15 meeting at Paris of the North Atlantic Council (NAC), at which the Ministers of the NATO countries including U.S. Cabinet officers will agree upon defense build-up goals for each country and recommend methods for achieving them. On the basis of the action agreed upon at the NAC meeting and the findings of the two annual reviews, MSA will finally fix the level of defense support for each country for fiscal year 1953. The aid will be directly related to each country's military goals under the NATO defense plan.

The allotments announced today are the first to be made from MSA's \$1.282 billion defense-support appropriation for this fiscal year. Besides the NATO countries, defense support will be given also to Yugoslavia, a non-NATO country which is opposing Communist aggression. MSA funds also will provide economic aid to Austria, still jointly occupied by the United States, the United Kingdom, France, and the Soviet Union.

## **Tax Convention With Switzerland**

Press release 742 dated September 19

According to information received from the American Legation at Bern, the American Minister to Switzerland, Richard C. Patterson, Jr., and the Chief of the Swiss Federal Political Department, Max Petitpierre, on September 17, 1952, exchanged the instruments of ratification of the convention between the United States and Switzerland for the avoidance of double taxation with respect to taxes on estates and inheritances, signed at Washington on July 9, 1951. The convention thereupon entered into force and will be applicable to estates or inheritances in the cases of persons who die on or after September 17, 1952. As applied to the taxes imposed in the United States, the convention deals solely with the Federal estate taxes and does not affect the estate or inheritance taxes imposed by the several states, territories, or possessions of the United States or the District of Columbia.

The Senate gave its advice and consent to ratification of the convention on July 4, 1952, and the President ratified it on July 21, 1952. A proclamation with respect to the entry into force of the convention will be issued by the President.

# President Proclaims Venezuelan Trade Agreement

## A PROCLAMATION<sup>1</sup>

WHEREAS, pursuant to section 350 of the Tariff Act of 1930, as amended and extended (ch. 474, 48 Stat. 943; ch. 118, 57 Stat. 125; ch. 269, 59 Stat. 410; ch. 585, 63 Stat. 697; Public Law 50, 82d Congress), on August 28, 1952 I entered into a supplementary trade agreement, through my duly empowered Plenipotentiary, with the Junta of Government of the United States of Venezuela, through its duly empowered Plenipotentiary, the said supplementary agreement to become effective on and after the thirtieth day following the exchange of my proclamation and the instrument of ratification of the Government of the United States of Venezuela, as provided for in Article 13 of the said supplementary agreement;

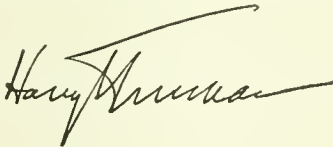
AND WHEREAS I proclaimed the said supplementary agreement on September 10, 1952 and my proclamation and the instrument of ratification of the Government of the United States of Venezuela were duly exchanged at the city of Washington on September 11, 1952;

NOW, THEREFORE, be it known that I, HARRY S. TRUMAN, President of the United States of America, supplementing my said proclamation of September 10, 1952, do hereby make known and proclaim that the said supplementary agreement, signed on August 28, 1952, will come into force on October 11, 1952.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this nineteenth day of September, in the year of our Lord one thousand nine hundred and fifty-two and of the Independence of the United States of America the one hundred seventy-seventh.

[SEAL]



By the President:  
DEAN ACHESON  
Secretary of State

## SUPPLEMENTARY TRADE AGREEMENT WITH VENEZUELA

The President of the United States of America and the Junta of Government of the United States of Venezuela, guided by the same objectives which motivated the two Governments to conclude the reciprocal trade agreement of November 6, 1939 (hereinafter referred to as the original trade agreement) with related notes of the same date, namely, to strengthen the traditional bonds of friendship between the two countries, to maintain the principle of equality of treatment in their commercial

<sup>1</sup> No. 2989, *Fed. Reg.* S469; for terms of effective date see BULLETIN of Sept. 22, 1952, p. 454.

relations, and to promote such relations by granting reciprocal concessions and advantages, have agreed to modify the said agreement in order to adapt it to present circumstances and conditions and in order that it will better correspond to those objectives and for that purpose have designated as their Plenipotentiaries:

The President of the United States of America:  
His Excellency Fletcher Warren, Ambassador Extraordinary and Plenipotentiary of the United States of America to Venezuela;

The Junta of Government of the United States of Venezuela:

His Excellency Doctor Luis E. Gomez Ruiz, Minister of Foreign Relations of the United States of Venezuela;

Who, having exchanged their full powers, found to be in good and due form, have agreed upon the following Articles:

### ARTICLE 1

Schedule I of the original trade agreement is replaced by Schedule I of this supplementary agreement annexed hereto and made a part hereof.<sup>2</sup>

### ARTICLE 2

Schedule II of the original trade agreement is amended by inserting therein, in their proper numerical order, the items contained in Schedule II-A of this supplementary agreement annexed hereto and made a part hereof, and by substituting for item 1733 and item 3422 of said Schedule II the item 1733 and the items 3422 set forth in Schedule II-B of this supplementary agreement annexed hereto and made a part hereof.<sup>2</sup>

### ARTICLE 3

The following new Article II-bis is added to the original trade agreement following Article II thereof:

#### *"Article II-Bis*

*"In each case in which Articles I and II of the original trade agreement refer to the day of the signature of that agreement, the applicable date in respect of all articles added to Schedules I and II of that agreement is the date of this supplementary agreement."*

### ARTICLE 4

The following new Article V-bis is added to the original trade agreement following Article V thereof:

#### *"Article V-Bis*

*"Any article the growth, production or manufacture of the United States of America enumerated and described in*

<sup>2</sup> Schedules I, II-A, and II-B are not printed here. Texts of these annexes are included in an analysis of the reciprocal concessions and general provisions of the agreement, prepared by the Department of State; a copy of the analysis may be obtained by writing the Division of Commercial Policy, Department of State, Washington 25, D.C. For a statement by the President concerning concessions relating to petroleum products, see BULLETIN of Sept. 15, 1952, p. 401.

*Schedule I imported into the United States of Venezuela, and any article the growth, produce or manufacture of the United States of Venezuela enumerated and described in Schedule II imported into the United States of America, shall be accorded treatment no less favorable than that accorded to the like article of national origin in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use. The provisions of this Article shall not apply to laws, regulations or requirements governing the procurement by governmental agencies of products purchased for governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale."*

#### ARTICLE 5

Article VI of the original trade agreement is amended to read as follows:

"1. No prohibition, restriction or any other form of quantitative regulation shall be imposed by the Government of the United States of Venezuela on the importation of any article, the growth, produce or manufacture of the United States of America enumerated and described in Schedule I, or by the Government of the United States of America on the importation of any article the growth, produce or manufacture of the United States of Venezuela enumerated and described in Schedule II.

"2. The provisions of paragraph 1 shall not prevent the Government of the United States of America or the Government of the United States of Venezuela from imposing quantitative regulations in whatever form on the importation or sale of any agricultural or fisheries article, imported in any form, if necessary to secure the effective operation of governmental measures or measures under governmental authority operating to regulate or control the production, market supply, quality or prices of like domestic articles. Whenever the Government of either country proposes to impose or to make more restrictive any quantitative regulation authorized by this paragraph, it shall give notice thereof in writing to the other Government and shall afford such other Government an opportunity to consult with it in respect of the proposed action; and if agreement with respect thereto is not reached the Government which proposes to take such action shall, nevertheless, be free to do so and the other Government shall be free within ninety days after such action is taken to terminate this Agreement in whole or in part on thirty days' written notice."

#### ARTICLE 6

The first paragraph of Article IX of the original trade agreement is amended to read as follows:

"In the event that the Government of the United States of America or the Government of the United States of Venezuela establishes or maintains, directly or indirectly, any form of control of the means of international payment, it shall, in the administration of such control:

"(a) Impose no restrictions or delays on the transfer of payment for any imported article the growth, produce or manufacture of the other country, or on the transfer of payments necessary for or incidental to the importation of such article, greater or more onerous than those imposed on the transfer of payment for the importation of the like article from any third country.

"(b) Accord unconditionally, with respect to rates of exchange and taxes or surcharges on exchange transactions in connection with payments for or payments necessary and incidental to the importation of any article the growth, produce or manufacture of the other country, and with respect to all rules and formalities relative thereto, treatment no less favorable than that accorded in connection with the importation of the like article the growth, produce or manufacture of any third country."

#### ARTICLE 7

Article XIII of the original trade agreement is amended to read as follows:

"1. The Government of each of the Contracting Parties recognizes the desirability of limiting fees and charges, other than duties, imposed by governmental authorities on or in connection with importation or exportation, to the approximate cost of services rendered. Each Government also recognizes the desirability of reducing the number and diversity of such fees and charges, of minimizing the incidence and complexity of import and export formalities, and of decreasing and simplifying import and export documentations requirements.

"2. Both Governments recognize the desirability of not imposing substantial penalties for minor breaches of customs regulations or procedural requirements. Each Government shall accord the most favorable treatment permitted by law in regard to penalties applicable in the case of errors in the documentation for importation of articles the growth, produce or manufacture of the other country, when the nature of the infraction leaves no doubt with respect to good faith or when the errors are evidently clerical in origin.

"3. The Government of each of the Contracting Parties shall accord sympathetic consideration to the representations which the Government of the other country may make with respect to the operation of customs regulations and quantitative restrictions on imports, the observance of customs formalities and the application of sanitary laws and regulations for the protection of human, animal or plant life or health. If there should be disagreement with respect to the application of said sanitary laws and regulations there shall be established, upon the request of either of the Contracting Parties, a committee of experts on which both Governments shall be represented. The committee, after considering the matter, shall submit its report to both Governments."

#### ARTICLE 8

The following new Article XIII-bis is added to the original trade agreement following Article XIII thereof:

#### "Article XIII-Bis

"1. If, as a result of unforeseen developments and of the effect of the obligations incurred by the Government of the United States of America or of the United States of Venezuela under this Agreement, including tariff concessions, any product is being imported into the territory of either country in such relatively increased quantities and under such conditions as to cause or threaten serious injury to the domestic industry in that territory producing like or directly competitive products, the Government of the United States of America or of the United States of Venezuela shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession.

"2. Before the Government of the United States of America or of the United States of Venezuela shall take action pursuant to the provisions of paragraph 1 above, it shall give notice in writing to the other Government as far in advance as may be practicable and shall afford such other Government an opportunity to consult with it in respect of the proposed action and with respect to such compensatory modifications of this Agreement as may be deemed appropriate to the extent practicable maintaining the general level of reciprocal and mutually advantageous concessions in the Agreement. If agreement between the two Governments is not reached as a result of such consultation, the Government which proposes to take the action under paragraph 1 shall, nevertheless, be free to do so and, if such action is taken, the other Government shall be free, not later than ninety days after the action has been taken and on thirty days' written notice, either to suspend the application to the trade of the Government

taking action under paragraph 1 of substantially equivalent obligations or concessions under this Agreement, or, if the action nullifies or seriously impairs a principal objective of this Agreement, to terminate the Agreement. Within 30 days after any such suspension has taken effect, the Government taking action under paragraph 1 shall be free to terminate this Agreement on thirty days' written notice. In critical circumstances, where delay would cause damage which it would be difficult to repair, action under paragraph 1 may be taken provisionally without prior consultation, under the condition that consultation shall be effected immediately after taking such action."

## ARTICLE 9

Article XV of the original trade agreement is amended to read as follows:

"1. The provisions of this Agreement do not extend to:  
 "(a) The advantages now accorded or which may hereafter be accorded by the United States of America or the United States of Venezuela to adjacent countries in order to facilitate frontier traffic, or advantages resulting from a customs union or a free-trade area which either the United States of America or the United States of Venezuela may enter so long as such advantages are not extended to any other country;

"(b) The advantages now accorded or which may hereafter be accorded by the United States of America, its territories or possessions or the Panama Canal Zone or the Trust Territory of the Pacific Islands to one another or to the Republic of Cuba or to the Republic of the Philippines, irrespective of any change in the political status of any of the territories or possessions of the United States of America, so long as such advantages are not extended to any other country.

"2. The Government of the United States of Venezuela reserves the right to apply to articles imported into the United States of Venezuela from the Antilles under the sovereignty or authority of the United States of America but not included in the customs territory of that country the special surtax applicable to such articles, according to the existing laws of Venezuela, provided the said articles do not originate in the said Antilles."

## ARTICLE 10

The first paragraph of Article XVI of the original trade agreement is amended by changing the period at the end thereof to a semicolon and adding the following:

"(5) relating to public security, or imposed for the protection of the country's essential interests in time of war or other national emergency."

## ARTICLE 11

Article XVII of the original trade agreement is amended by adding the following sentence at the end thereof:

"If agreement is not reached with respect to the matter within thirty days after such representations or proposals are received, the Government which made them shall be free, within ninety days after the expiration of the aforesaid period of thirty days, to terminate this agreement in whole or in part on thirty days' written notice."

## ARTICLE 12

The provisions of the original trade agreement which are not abrogated or modified by this supplementary agreement shall constitute, together with the provisions of this supplementary agreement, the amended reciprocal trade agreement between the two Governments, which shall remain in force, subject to the provisions of Articles VI, IX, XII, XIII-bis and XVII until six months from the date on which either Government shall have given to the other Government written notice of intention to terminate the amended reciprocal trade agreement.

The present supplementary agreement shall be proclaimed by the President of the United States of America and ratified and published by the Government of the United States of Venezuela, in conformity with the laws of the respective countries. It shall enter into force thirty days after the exchange of the proclamation and the instrument of ratification, which shall take place in the City of Washington as soon as possible.

IN WITNESS WHEREOF, the respective Plenipotentiaries have signed this Agreement and have affixed their seals hereto.

DONE in duplicate in the English and Spanish languages, both authentic, at the City of Caracas this twenty-eighth day of August nineteen hundred and fifty-two.

For the President of the United States of America:

FLETCHER WARREN

For the Junta of Government of the United States of Venezuela:

LUIS E. GÓMEZ RUIZ

## Consular Convention With U.K. Enters Into Force

Press release 711 dated September 9

On September 8, 1952, the President issued his proclamation of the consular convention and accompanying protocol of signature between the United States and the United Kingdom of Great Britain and Northern Ireland, which, in accordance with article 29 of the convention, entered into force on September 7, 1952, the 30th day after the date of the exchange of the instruments of ratification.

The convention and protocol were signed at Washington on June 6, 1951, by the Secretary of State and the British Ambassador. The U.S. Senate gave its advice and consent to ratification on June 13, 1952, and the President ratified the convention and protocol on June 26, 1952. The exchange of the respective instruments of ratification of the United States and the United Kingdom took place at London on August 8, 1952.

The convention is the first comprehensive treaty relating to consular officers concluded between the two countries. The only treaty provisions on this subject between the two countries in force at the time of the convention was signed were those in article IV of the Treaty of Commerce and Navigation of July 3, 1815, and article III of the convention of March 2, 1899, relating to the tenure and disposition of real and personal property. As is customary in the case of consular conventions negotiated between the United States and other countries, the present convention contains provisions relating to the appointment and districts of consular officers; their legal rights and immunities; the inviolability of consular offices, archives, and correspondence; the financial privileges of

consular officers and employees, including certain tax exemptions and customs privileges; the rights of consular officers in connection with the protection of nationals of their country; notarial acts and other services; the authority of consular officers in connection with transfers of property; and their authority in regard to shipping matters. Provision is also made regarding the rights of each country to acquire real estate for official purposes.

Article IV of the treaty of July 3, 1815, is superseded by the present convention in respect of the territories to which the convention applies. The authority of consular officers in connection with the settlement of estates will, however, be governed by the terms of article III of the convention of March 2, 1899, together with articles 18 and 19 of the 1951 convention.

## **Turkish Road-Building Program To Be Extended With MSA Grant**

A program of modern highway construction and maintenance in Turkey, begun more than 4 years ago as a major factor in the country's economic development, is being extended as an important defense need, the Mutual Security Agency (MSA) announced on September 17.

Extension of the road program in Turkey—whose borders include the Mediterranean Sea and the borders of the Soviet Union and Bulgaria, as well as the Black Sea Coast—will be made possible by a \$3,155,000 grant just approved by MSA.

The Turkish highway project, one of the first large European projects to be sponsored under the Marshall Plan by the Economic Cooperation Administration, predecessor agency to MSA, has previously received some \$16,060,000 in dollar financing, out of a total over-all cost estimate of \$58,000,000 equivalent.

Most of the new financing—\$2,655,000—will be used to purchase additional needed road-construction and maintenance equipment, including graders, maintainers, crushers, a screening plant, dump trucks, bridge-foundation testing devices, and other machinery.

The remaining \$500,000 will be available for technical services, largely to pay salaries and dollar expenses of experts from the U.S. Bureau of Public Roads. The American highway specialists, of whom there are at present 37 in Turkey, are supervising the Turkish program and training Turkish personnel in the construction and maintenance work.

Fifteen highway-maintenance shops have been set up under the direction of the Bureau of Pub-

lic Roads personnel, and five more will be equipped through the supplementary financing.

The roads project in Turkey began in December 1947, and received Marshall Plan financing from April 1949 to the present. More than 3,500 miles of roads, many of them previously wagon tracks usable only in the dry seasons, have been built into two-lane, all-weather highways.

## **\$15 Million Loan to Pakistan for Purchase of U.S. Wheat**

White House press release dated September 17

On September 17 His Excellency Mohammed Ali, Pakistani Ambassador to Washington, Secretary of State Dean G. Acheson, and Herbert E. Gaston, Chairman of the Board of Directors of the Export-Import Bank, participated with the President in a White House ceremony covering the signing and exchange of loan documents providing for a loan of 15 million dollars to Pakistan for the purchase of wheat.

Pakistan, which in good years has sufficient wheat for its own needs and some for export, must this year import large quantities of wheat from abroad. The Pakistani Government has used its available financial resources to purchase wheat wherever it was most readily found. However, the extent of Pakistan's wheat shortage and the limitations of its financial position are such that the Government of the United States has decided that prompt measures should be taken to meet the request of the Government of Pakistan for assistance for the purchase of American wheat.

The loan to the Pakistani Government is being made by the Export-Import Bank, using funds made available under the authority provided in the Mutual Security Act of 1951, as amended. The loan is to run for 35 years with interest at 2½ percent per annum, interest payments to begin after 4 years and repayment of principal to begin after 6 years. The American wheat thus provided is to be distributed through Pakistan's rationing system to supplement the quantities procured locally and the imports already arranged by the Pakistani Government. The Government of Pakistan is defraying distribution and ocean transport costs.

Western Pakistan, the bread basket of the country, suffered a severe drought in the winter of 1951-52. This section is usually a surplus wheat-producing area but this year has become a deficit area. Last year's small crop prevented the Government from procuring locally enough grain to supply the rationing system in the most densely populated urban districts.



# U.S. Postwar Aid to Germany From V-E Day to June 30, 1951

(millions of dollars)

	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	Cumulative
<b>GROSS AID</b>							
PRE-GARIOA . . . . .	<sup>a</sup> 276.3	0	0	0	0	0	276.3
GARIOA . . . . .	0	243.2	551.8	550.4	189.1	0	1,534.5
ECA:							
Allotments, exclusive of conditional aid . . . . .	0	0	0	<sup>b</sup> 516.0	<sup>c</sup> 335.9	399.1	1,251.0
Conditional aid <sup>d</sup> . . . . .	0	0	0	97.4	121.2	0	218.6
Intra-European aid received <sup>d</sup> . . . . .	0	0	0	108.3	12.0	0	120.3
Swedish Accord . . . . .	0	17.5	0	0	0	0	17.5
Surplus property:							
OFLC . . . . .	0	0	66.7	0	0	0	66.7
EUCCOM sales <sup>e</sup> . . . . .	0	0	91.6	0	0	0	91.6
Surplus incentive material <sup>f</sup> . . . . .	0	0	38.1	20.5	0	0	58.6
<b>Total . . . . .</b>	<b>276.3</b>	<b>260.7</b>	<b>748.2</b>	<b>1,292.6</b>	<b>658.2</b>	<b>399.1</b>	<b>3,635.1</b>
<b>DEDUCTIONS</b>							
HICOG operating budgets . . . . .	0	0	0	0	21.4	60.7	82.1
Yugoslav flour shipments . . . . .	0	0	0	0	0	7.9	7.9
Reverse payments (5 percent C/P) <sup>f</sup> . . . . .	0	0	0	36.0	11.5	20.0	67.5
Conditional aid . . . . .	0	0	0	97.4	121.2	0	218.6
<b>Total . . . . .</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>133.4</b>	<b>154.1</b>	<b>88.6</b>	<b>376.1</b>
<b>NET AID. . . . .</b>	<b>276.3</b>	<b>260.7</b>	<b>748.2</b>	<b>1,159.2</b>	<b>504.1</b>	<b>310.5</b>	<b>3,259.0</b>

<sup>a</sup> Includes deliveries which extended through December 31, 1949.

<sup>b</sup> Covers 15-month period April 3, 1948 through June 30, 1949.

<sup>c</sup> Including GARIOA administered by ECA.

<sup>d</sup> Allotment basis.

<sup>e</sup> Bulk sales.

<sup>f</sup> Based upon allotted aid.

These figures show the cost of postwar U.S. aid to Germany through June 30, 1951, and were used as a basis for negotiating the settlement of U.S. postwar claims with the Federal Republic of Germany. These figures differ somewhat from those appearing in *Foreign Aid by the United States Government*, published by the Department of Commerce, since ECA aid is here shown on an allotment rather than a paid-shipments basis, and Government and Relief in Occupied Areas (GARIOA) aid is shown on the basis of expenditures charged by fiscal year of GARIOA appropriations rather than on the basis of current value at time of shipment.

The statement of the amount of the debt presented to the Germans excludes such items as UNRRA funds, which were used primarily for refugees, and post-UNRRA funds, which subsidized freight parcels sent through the Advisory Committee on Voluntary Aid. The reverse payment of the 5 percent counterpart is the only deduction appearing in *Foreign Aid by the United States Government*.

Aid extended to Germany by other countries which in turn received compensating shipments from the United States under inter-European aid arrangements is not debited to Germany in the Department of Commerce publication. That publication also excludes the Swedish Accord and European Command (EUCCOM) sale, although the latter is scheduled for inclusion.

## Inter-American Action To Preserve Forests

### FOURTH SESSION OF THE FAO LATIN AMERICAN FORESTRY COMMISSION, BUENOS AIRES, JUNE 16-23, 1952

*by Frank H. Wadsworth*

The Latin American Forestry Commission of the Food and Agriculture Organization of the United Nations (FAO) is an international body of technicians advisory to the FAO and serviced by the Latin American Office for Forestry and Forest Products, located at Rio de Janeiro. The Commission, set up in 1949, held three sessions prior to this year, at Rio de Janeiro, Lima, and Santiago, Chile. At Santiago it was decided to hold sessions every second year, between the years of the general FAO conferences, with the result that the fourth session was scheduled for 1952.

The fourth session was called primarily to consider and offer advice concerning (1) the progress of the FAO regional forestry program, (2) the significance of the sixth FAO Conference in 1951 to forestry in Latin America, and (3) plans and prospects for an FAO forestry program in the future. Specific subjects covered under these headings follow:

1. FAO progress since the third session
  - a. Resolutions from the third session
  - b. The expanded technical assistance program
  - c. The pulp and paper study
2. The significance of the sixth FAO Conference in 1951
3. Plans and prospects for the future
  - a. The Latin American Institute for Forestry Training and Research
  - b. Forestry training centers
  - c. Forest policy reports
  - d. The proposed International Congress on Tropical Forestry
  - e. The proposed eucalyptus study tour to Australia
  - f. Coordination of Arbor Day activities

At the invitation of Argentina, the fourth session was held at Buenos Aires. Invitations were

sent to all governments within Latin America, to outside governments with possessions within the Latin American region, and to interested international agencies. Delegations were sent by Argentina, Brazil, Chile, the Dominican Republic, France, Mexico, Paraguay, the United States, Uruguay, and Venezuela. Colombia, Honduras, and the Netherlands assigned diplomatic representatives in Buenos Aires as their delegates. In addition, observers represented the Vatican, the Caribbean Commission, the United Nations Economic Commission for Latin America, the central and regional offices of FAO, the International Labor Office, and the Organization of American States.

The U.S. delegation included, as delegate, Frank H. Wadsworth of the Forest Service, Puerto Rico, and, as advisers, Clarence A. Boonstra, agricultural attaché, Argentina, and Edward B. Hamill of the Institute of Inter-American Affairs, Paraguay.

The accomplishments of the session, in the form of opinions expressed and formal resolutions approved, are described in accordance with the agenda already outlined.

#### FAO Progress Since the Third Session

A number of the resolutions of the third session called for specific action by FAO or the Latin American governments. Some progress has been made on these. Technical assistance has expanded. Facilities for research have been surveyed, although no regional program has begun. Chemical utilization is being studied in cooperation with the Economic Commission for Latin America. On the other hand, no notable progress has been made on the recommendations to standardize forest terminology and word nomenclature.

The technical-assistance program of FAO has

expanded materially in the past 2 years. Forestry missions including about 20 specialists are now active in Mexico, Honduras, Haiti, Chile, Brazil, and Paraguay. Some of these missions, such as those in Mexico and Chile, are large and contain a balanced group of specialists for a broad study program. Others, such as those in Haiti and Brazil, consist of but one specialist who is working in a narrow field yet is laying a foundation for a broader future program. A short-term mission to Uruguay has already been completed.

The Commission, after hearing the reports of the directors of all active missions, commended FAO for good progress in this field. Special reference was made to the technical competence and the understanding of the mission specialists. It was recommended, however, that FAO make full use of available Latin American technicians qualified as specialists for such missions. To this end, Latin American governments were requested to send lists of technicians to FAO with descriptions of qualifications.

The Latin American FAO office was requested to study the techniques of technical-assistance programs outside of this region to assure that every desirable type of assistance is available to Latin America.

Without exception, representatives from countries with missions expressed enthusiasm about the program. It was recommended that governments, in order to get the most from the missions, make available such local technical help as is needed. This might well include young men who could receive valuable training as a result of their participation.

Consideration of the character of requests for technical assistance and of the scope of missions now active showed that some of these concern problems which transcend international boundaries. It was recommended that for most efficient use of mission specialists, FAO consider organizing such missions on a regional rather than a national basis.

A session concerning the pulp and paper study under way throughout Latin America jointly by FAO and the Economic Commission for Latin America (ECLA) proved to be of great interest and was exceptionally well attended by the general public. As an introduction, FAO pointed out that merely for self-sufficiency in pulp and pulp products (excluding any rise in per capita consumption) a minimum of 22 mills of 30,000-ton annual capacity must be constructed in Latin America. Needs in 1960 are estimated at twice that figure. The field party, including specialists from Mexico and Brazil, has surveyed several countries, but the final reports will not be available for several months. The study is considering the broader aspects of this problem, including nonwood fiber sources, and is going into some detail as to approximate quantities available and prospective mill sites.

In recognition of the importance of the FAO-ECLA pulp and paper study, the Commission urged local governments to lend all possible assistance. FAO was asked to eventually broaden this study to include production techniques, i.e., silviculture, regeneration, and management in pulpwood regions.

Four recommendations of the sixth FAO Conference, held at Rome in 1951, were considered to carry a special significance for forestry and apply to Latin America as well as to the rest of the world. These recommendations, entitled "Objectives and programs for agricultural development," "Farming practices," "Agrarian reform," and "Investments for agricultural development" are believed to deserve special attention by Latin American governments, which were invited to prepare 5-year plans for forest production for submission to FAO.

### Plans and Prospects for the Future

FAO for 3 years has made an effort to establish a Latin American Institute for Forestry Training and Research. As conceived, the institute would consist of a center for professional forestry training and for such research as could be centralized. The institute would also embrace a number of coordinated regional forest experiment stations investigating local problems.

In past sessions the Commission has received proposals for some of the regional experiment stations but none for the center itself, so that establishment of the institute has been precluded.

At the fourth session this agenda item was one of the most important because the Government of Venezuela had formally offered the National University of the Andes, at Merida, as a seat for this center. This offer, which included the use of existing facilities and material cooperation from the newly formed forestry school of the university, was accepted unanimously by the Commission. This action represents an outstanding concerted regional effort to solve regional problems on a regional basis, and as such it may well be the most important accomplishment of the fourth session.

The Commission recognized the importance of designating the regional forest experiment stations promptly, and suggested as a preliminary basis for such selection six large regions: Mexico and Central America, the Caribbean, the tropical Andes, the southern Andes, the Paraná-Plata-Paraguay region, and Amazonia. Considering existing forest research stations and facilities throughout Latin America and past offers to FAO for such stations, the following were recommended for these regions, respectively: Inter-American Institute of Agricultural Sciences, in Costa Rica; the Tropical Forest Experiment Station, in Puerto Rico; Tingo María Station, in Peru; the University of Concepción, in Chile; and two as yet unnamed localities in Argentina and Brazil.

To implement the proposed regional research

program, the Commission set up a subcommission of representatives of directly interested governments and agencies: Argentina, Brazil, Chile, Mexico, Peru, the United States, Venezuela, and the Inter-American Institute of Agricultural Sciences. This subcommission is to meet as soon as formal offers are received from Argentina and Brazil and has the responsibility of drawing up coordinated plans of operation for submission to the Latin American governments.

The Commission recognized the need for local subprofessional training in theory and practice of forest administration, organization, and management. This need, which cannot be filled by the Institute, apparently can best be met by regional short courses or temporary training centers, each of which, regardless of political boundaries, would serve the entire geographic region faced with the problems to be treated. Two courses of this nature have already been held in Central America, sponsored jointly by FAO and the Inter-American Institute of Agricultural Sciences.

The Commission recommended that FAO draw up a list of important regional forest problems which might serve as themes for these courses and then gradually embark upon this program, using technical-assistance funds but obtaining maximum help and coordination from other agencies and governments concerned. FAO was requested to make full use of qualified Latin American technicians for leadership in these courses.

The Rio de Janeiro office of FAO had requested prior to the session that each delegation bring a report describing the forest policy of its country as a means to better mutual understanding of problems and programs. It was proposed that such reports might be requested from time to time in the future by FAO and distributed generally for regional benefit. The reports prepared were read before the Commission and discussed by a special subcommission.

The Commission considered these reports to be of considerable importance to the region and requested FAO to summarize and combine them into a single document for general distribution. In addition, study of the content of these reports led the Commission to make certain immediate recommendations for the advancement of forestry throughout Latin America. It was recommended that Latin American governments study their local woods to increase their utility and utilization; that they adopt measures to eliminate waste in utilization of forest products; that, by provision for credit and other means, they encourage such new industries as can be supported permanently by forest resources available and prospective; and that they encourage rational management and utilization of privately owned forests. It was also recommended that FAO encourage the federation of existing local associations of foresters within Latin America.

The sixth FAO Conference suggested that an

International Tropical Forestry Congress, originally proposed 2 years ago, might well be held in conjunction with the World Forestry Congress planned for 1954. The Commission was not in favor of merging the two, since that might obscure tropical subjects within broader themes. However, the Commission considered it desirable that the two Congresses be held at the same place in succession to make possible attendance of both at a minimum of expense.

The Commission considers it essential that the Tropical Congress be held in the tropical zone and, for this reason, asked FAO to give preference to a tropical location for the World Congress. If this is not possible, the Tropical Congress should be held separately at an appropriate location. FAO was asked to consult the various governments concerning the agenda, the nature of the material to be presented, and the type of representation desired when location and date shall have been decided.

### Study Tours

FAO, after carrying out a successful forest-fire-control study tour in the United States, has arranged with the Australian Government for a similar tour for study of the habitat, management, and utilization of eucalyptus. FAO has offered to pay half the transportation cost to Australia and all living costs of students while they are there. This subject was included in the agenda to get the reaction of the Commission to these study tours, first in the general sense, and then specifically to this proposed tour.

The Commission considered these study tours a worthy project. It recommended that governments take full advantage of the eucalyptus tour and, to that end, that they initiate studies of local problems related to eucalyptus.

Celebration of Arbor Day was included in the agenda because FAO wanted opinion as to whether celebration on a coordinated international scale might increase the educational value of this activity in countries where it is least effective at present. The delegates pointed out that conditions for tree planting and conservation practices which should be emphasized in the celebration vary so widely throughout the region that synchronization would be difficult at this time. The Commission recommended that FAO collect information regarding the celebration and its effectiveness in the different countries and distribute a statement of experience throughout the region for the benefit of all.

Other matters considered by the Commission included the meeting of the International Union for the Protection of Nature, which was held at Caracas in September of this year. The Commission, in recognition of the interest of foresters in the work of this organization, recommended that governments consider sending foresters as their

representatives. In this same connection, it was recommended that the Organization of American States consider a revision of the Washington Convention for the Protection of Fauna and Flora, now about 12 years old. Such a revision should be submitted to the Pan American Union for its consideration.

Regarding the standardization of forestry terminology, which had been discussed at the third session, the Commission recommended that the Spanish-English glossary of forestry terminology in preparation at the Tropical Forest Experiment Station in Puerto Rico serve as a basis for a Latin American forestry terminology. It also recom-

mended that the Tropical Station submit the as yet incomplete work to FAO for distribution throughout Latin America for comment, amendments, and additions.

Finally, the Commission elected as its chairman for the next 2 years Lucas A. Tortorelli, General Administrator of Forests of Argentina. The date of the fifth session was set for 1954. Venezuela offered Merida as a site, but a final decision is to await future developments.

• *Mr. Wadsworth, author of the above article, is a forester in the U.S. Department of Agriculture Forest Service, Tropical Region.*

## Report of U.N. Command Operations in Korea

### FORTY-SIXTH REPORT: FOR THE PERIOD MAY 16-31, 1952<sup>1</sup>

U.N. doc. S/2768  
Transmitted September 8, 1952

I herewith submit report number 46 of the United Nations Command Operations in Korea for the period 16-31 May 1952, inclusive. United Nations Command communiqués numbers 1265-1281 provide detailed accounts of these operations.

Plenary sessions of the military Armistice Conference met daily with the exception of a three-day recess from 24 May through 26 May. These meetings were characterized by an endless repetition of Communist propaganda themes. In order to illustrate the illogical approach of the Communists to the Prisoner of War problem and to refute the implications of the daily charges by the Communists, the senior United Nations Command Delegate made the following statement on 21 May:

"Your side continues to display crass hypocrisy on the Prisoner of War issue. Have you, for example, undertaken to settle the problem of the more than 50,000 military persons of our side whose capture you reported but whose names you have omitted from the lists of Prisoners of War to be exchanged? Have you undertaken to restore to these 50,000 Prisoners of War the rights ac-

corded them by the Geneva Convention? Have you reported their capture to the Information Bureau at Geneva as required by the Convention of War Prisoners? Have you opened your Prisoner of War camps to visits by neutral benevolent societies as required by the Geneva Convention? Have you agreed to the exchange during hostilities of the seriously sick and injured as required by the Geneva Convention? Have you undertaken to refrain from using captured personnel in a military capacity or in labor directly contributing to military operations as is required by the Geneva Convention, or do you adhere to your announced policy of incorporating captured military personnel into your military forces? Have you undertaken to restore to Prisoner of War status those captured personnel whom you have incorporated into your armed forces or have transported to China or elsewhere? You have not.

"Never before in modern history has a belligerent displayed less regard for the rights and welfare of Prisoners of War. Never before have the rights of Prisoners of War been so fully and completely violated. Never before has a belligerent unilaterally disposed of four-fifths of the captured personnel of the other side before sitting down at the conference table."

Since presenting its proposal of 28 April<sup>2</sup> for solution of the remaining problems, the United Nations Command Delegation has attempted to impress the Communists that this offer is firm, final and irrevocable. Typical of the statements made to this end by the Delegation is the following quotation from the proceedings of 20 May:

"Your side should be fully aware that the United Nations Command cannot and will not accept a solution to the Prisoner of War problem unless that solution provides for and respects fundamental human rights and fully considers the dignity and worth of the human per-

<sup>1</sup> Transmitted to the Security Council by the representative of the U.S. to the U.N. on September 8. Texts of the 30th, 31st, and 32d reports appear in the BULLETIN of Feb. 18, 1952, p. 266; the 33d report, *ibid.*, Mar. 10, 1952, p. 395; the 34th report, *ibid.*, Mar. 17, 1952, p. 430; the 35th report, *ibid.*, Mar. 31, 1952, p. 512; the 36th and 37th reports, *ibid.*, Apr. 14, 1952, p. 594; the 38th report, *ibid.*, May 5, 1952, p. 715; the 39th report, *ibid.*, May 19, 1952, p. 788; the 40th report, *ibid.*, June 23, 1952, p. 998; the 41st report, *ibid.*, June 30, 1952, p. 1038; the 42d report, *ibid.*, July 21, 1952, p. 114; the 43d report, *ibid.*, Aug. 4, 1952, p. 194; the 44th report, *ibid.*, Aug. 11, 1952, p. 231; and the 45th report, *ibid.*, Aug. 18, 1952, p. 272.

<sup>2</sup> *ibid.*, Aug. 18, 1952, p. 272.

son. The United Nations Command has proposed such a solution. It must be obvious to you that the United Nations Command cannot accept any compromise in its basic and fundamental principles. It must also be obvious to you that the United Nations Command proposal of April 28th, by its very nature, is firm, final, and irrevocable.

"During the Item 4 Staff Officers' meetings, our side entered into in good faith an arrangement to determine the approximate number of Prisoners of War held by our side who would not forcibly resist returning to your side. The procedures used by our side to accomplish this were scrupulously fair. No amount of slander and false allegations by your side can change the truth of this matter. Nevertheless, our side has stated many times our willingness to have the results of our survey examined and verified by an impartial group and witnessed by your side. In order that your side can have no excuse to avoid the witnessing of this procedure, our side has stated its willingness to have it conducted at the exchange point in the demilitarized zone. For your side to refuse this reasonable proposition is to deny the human rights of individuals.

"The counterproposal your side made on May 2nd is one which would compel the United Nations Command to jeopardize the lives of numerous human beings by using force and violence in sending them to your side against their will. The United Nations Command will not accede to such an inhuman proposition. To do so would be to repudiate one of the purposes and principles upon which the United Nations is founded.

"It should be quite clear to you now that the United Nations Command cannot accept your inhuman counterproposal of May 2nd. It should be quite clear to you now that the United Nations Command solution to the Prisoner of War problem proposed on April 28th is the only solution which can be accepted by the United Nations Command. It should be obvious to you that the United Nations Command proposal of 28 April cannot and will not be other than its firm, final, and irrevocable position."

On 23 May, Major General William K. Harrison replaced Vice Admiral C. Turner Joy as the senior United Nations Command Delegate to the Military Armistice Conference. At the meeting of 22 May, Admiral Joy informed the Communist Delegation of this change.

On 28 May, Brigadier General Lee Han Lim replaced Major General J. H. Yu as the United Nations Command Delegate from the Republic of Korea.

Following the release of Brigadier General Francis T. Dodd by fanatical Communists on Koje-do who had held him prisoner for approximately three days, a board of officers was appointed by the Commanding General, Eighth Army, to ascertain the facts leading up to General Dodd's seizure and to the circumstances surrounding the negotiations which resulted in his release. The report of the investigation together with the recommendations of the Commanding General, Eighth Army, were reviewed by the Commander-in-Chief, United Nations Command, and forwarded with his recommendations, to the Department of the Army.

Brigadier General Haydon L. Boatner, an outstanding combat officer with extensive experience in the Far East, was appointed Commanding General of United Nations Command Prisoner of War Camp Number One. He immediately put into effect a directive received from the Commander-in-Chief, United Nations Command, to take immediate steps to seize uncontested control of the rebellious Communist prisoners at Koje-do. The following statement was issued by the Commander-in-Chief, United Nations Command, concurrent with this movement:

"Communist prisoners of war and civilian internees on Koje-do have not only resorted, on repeated occasions, to unlawful violence but, obviously acting under instructions from outside agents of the international Communist power conspiracy, have threatened mass outbreaks which inevitably would result in additional violence and bloodshed. I do not propose to countenance for one moment

further unlawful acts on the part of these prisoners of war and civilian internees.

"The United Nations authorities will continue to observe the provisions of the Geneva Convention in the administration of United Nations Command Prisoner of War Camp Number One and at all other Prisoner of War camps under their control. At the same time, they will require that the prisoners of war and civilian internees observe the responsibilities placed on them by the provisions of the same convention. Good order and discipline will be required of them at all times."

The security forces at the United Nations Command Prisoner of War Camp Number One on Koje-do were reinforced by one company of the King's Shropshire Light Infantry, the First Company of the Royal Canadian Regiment, and the First Company of the Greek Expeditionary Forces. The United States 187th Airborne Infantry Regiment had been ordered previously to the island. These units were integrated rapidly into the over-all camp structure. Plans have been formulated for separating the Communist Prisoner of War population into smaller, more easily administered groups.

The United Nations press representatives interested in the Prisoner of War situation were provided additional transportation, over-night accommodations and communications facilities on Koje-do, thus enabling the prompt reporting and maximum coverage for all news media.

On 20 May prompt and firm action by United Nations Command personnel averted what might have been a serious incident at the Prisoner of War hospital compound in Pusan. Fanatical Communist agitators, who had been serving as hospital attendants in this compound, had refused to admit camp medical personnel or to permit ill patients to leave the compound for medical attention. The camp authorities directed the prison attendants to report to the compound gate for transfer to another inclosure in order that patients needing medical attention could be handled without interference. Announcements designed to segregate the agitators from other prisoners went overtly unanswered for half an hour. It was then evident that the terroristic Communist Prisoner of War leaders would resist by violence. Armed United States military personnel moved into the compound where they met stiff opposition from Communist prisoners, led by fanatical leaders, all employing spears, barbed wire coils, rocks, and a variety of other weapons against security troops.

United Nations Command troops used a show of force to overcome the opposition. No shots were fired and only riot control tactics were used. In gaining control of the compound one prisoner was killed and eighty-five others suffered injuries, most of them minor. One member of the United Nations Command forces suffered a minor wound. The situation was well in hand two hours after the action started. The remaining compounds at Pusan are now under complete control of the camp's authorities and no other casualties have resulted from these operations.

In the new camps which have been established at Cheju-do and on the mainland of Korea to accommodate the prisoners of war and civilian internees who indicated their strong opposition to return to Communist control, little difficulty has been encountered. The attitude of these individuals has been generally favorable and cooperative.

Minor clashes continued to typify the ground action along the Korean battle line. Both United Nations Command and enemy units offered determined and effective resistance to the raids and patrol of opposing elements during the period. The most noteworthy enemy-initiated action consisted of an attack by two companies against United Nations Command positions on the western front which was repulsed despite the aggressiveness displayed by the attacking units. Generally, hostile forces limited their activities to widely scattered probing efforts against United Nations Command forward positions during the hours of darkness, and to the interception of United

Nations Command patrols. Enemy forward troop dispositions and front lines remained unchanged.

On the western front, enemy aggressiveness was more pronounced than elsewhere. On 27 May, two enemy companies struck a United Nations Command outpost five miles south-southwest of Mahang. The attack was preceded by a thirty-five minute artillery and mortar preparation of over two thousand rounds and was supported by fire from hostile tanks and self-propelled guns. The hostile force vigorously pressed the attack for four hours but was unable to penetrate the United Nations Command defenses. The enemy attempted other unsuccessful probing attacks of lesser size against United Nations Command positions. Such attacks were particularly numerous in the Sangnyong, Punji and Kigong areas during the latter part of the period. These actions, usually of one hour duration or less, were all repulsed by local United Nations Command elements without loss of ground. United Nations Command patrols along the western front, as elsewhere, met with determined resistance and were generally unable to penetrate the enemy's main battle positions. An exception occurred on 28 May when United Nations Command elements, in a three-pronged raid, forced the withdrawal of hostile units defending three objectives in the Punji area. The defenders engaged in hand-to-hand combat and employed the largest concentration of artillery and mortar fire in recent months in a vain attempt to retain their positions.

Hostile action on the central front remained minor. The largest single enemy action consisted of an attack, employing a company, against United Nations Command positions south of Yulsa. This engagement terminated with the withdrawal of the enemy unit. In numerous instances United Nations Command armored units ranged forward to engage hostile positions and targets of opportunity on the central front. In the largest such operation, United Nations Command tanks fired on hostile troops and installations in the Suta and Kumsong areas, resulting in the destruction of 103 enemy bunkers and gun positions, and damage to seventy-four others. Hostile reaction to these forays was meager, consisting of a light volume of mortar and artillery fire.

There was no appreciable change in the character of battle action on the eastern front. Forward enemy units maintained a tight and effective defense against the numerous United Nations Command patrols seeking enemy dispositions and activities. The majority of these United Nations Command-initiated patrol clashes were fought in the Talchon-Mulguji areas of the eastern front. Enemy offensive inclination was limited to brief, ineffective probes by units of squad and platoon size. United Nations Command elements on the eastern front continued to receive the bulk of enemy's ineffectual front-line propaganda efforts, including broadcasts and leaflets disseminated by mortar and artillery fire.

During the period the enemy continued to improve his combat capabilities. Indications remained predominantly defensive. Enemy units, both in forward and rear areas, continued to improve their defensive positions. Prisoner of War statements were still indicative of an enemy defensive attitude. In addition, prisoners of war were not cognizant of any preparations for an imminent offensive. Nevertheless, Communist military forces in Korea were steadily improving their offensive capability. The level of hostile vehicle and rail activity, coupled with other indications, clearly reveals the improvement of the enemy's logistical position. Indicated troop movements in the enemy's rear areas also point toward an improved offensive capability. Indications at present fail to disclose the imminence of a hostile attack. However, Communist forces are capable of launching a major offensive with little additional preparation or warning.

United Nations Command fast carriers operating in the Sea of Japan, despite three days of non-operational weather during the period, operated against North Korean transportation facilities and supply routes. Attacks by the jet and propeller driven aircraft were concentrated on the vulnerable rail lines along the Korean east coast

in continuation of the interdiction program. Rail lines were cut and bridges and by-passes, locomotives, and rail cars were destroyed. Additional destruction included military structures, trucks, boats, and numerous supplies, storage facilities and gun positions. No enemy air opposition was encountered.

United Nations Command carriers operated in the Yellow Sea with their planes furnishing cover and air spot for the surface units on blockade patrols and anti-invasion stations. They also flew reconnaissance missions and offensive strikes as far north as Sukchon and into the Chinnampo area and the Hwanghae Province and in close support of the front line troops and friendly guerrilla raids behind enemy lines. Additional destruction and damage included numerous supplies, bunkers, warehouses, rail cars, trucks, vehicles, and supply routes.

United Nations Command naval aircraft based ashore in Korea flew in support of friendly front line units, destroying bunkers, mortar and gun positions, military buildings, troop shelters, and trucks. Rails were cut and trenches were torn up.

Patrol planes based in Japan and Okinawa conducted daylight reconnaissance missions over the Sea of Japan and the Yellow Sea. They also flew day and night anti-submarine patrols and weather reconnaissance missions for surface units in the Japan and Yellow Seas.

The naval blockade continued along the Korean east coast from the bomblines to Chongjin with surface units making day and night coastal patrols, firing on key rail targets along the coastal main supply route daily to maintain rail cuts, bridge cuts, and tunnel blocks at several specific points. The siege by surface units continued at the major ports of Wonsan, Hungnam and Songjin. Fire support vessels at the bomblines provided gunfire on call for the front line troops.

The bombardment along the east coast, reported by spotting aircraft, shore fire control parties and the firing vessels themselves, resulted in the destruction and damage of bunkers, mortar, artillery, and coastal gun positions, boats, rail cars, and trucks. Armed raiding parties, using boats of the blockading vessels continued nightly coastal sweeps. Three sampans and twenty prisoners were captured. In other cases, the motor whale boats searched out enemy targets and furnished spot for the firing ship, materially aiding in the effectiveness of the interdiction of the coastal main supply route.

Enemy shore batteries continued active along the coast, although in many cases only a few rounds were fired. At Songjin two minesweepers received hits. Although shrapnel damage was considerable, there were no personnel casualties and neither vessel suffered a loss of operational efficiency.

On the Korean west coast, the United Nations Command surface units manned anti-invasion stations along the coast, from Chinnampo to the Han River Estuary, in support of the friendly islands north of the battle line. Daylight firing into enemy positions started many fires and secondary explosions, destroying military buildings and inflicting many casualties. Three guerrilla raids during the period were supported by surface and air units in the Haeju approaches. Many casualties were inflicted and several Chinese Communist Forces prisoners taken. In addition, many guns and mortars were destroyed and damaged and large quantities of enemy equipment and cattle were captured by friendly forces.

Vessels of the Republic of Korea Navy conducted close inshore patrols and blockade along both coasts and assisted United Nations Command forces in minesweeping duties.

The United Nations minesweepers continued operations to keep the channels, gunfire support areas and anchorages free of mines of all types. Sweepers also enlarged areas as needed by the operating forces.

United States naval auxiliary vessels, Military Sea Transportation Service and merchant vessels under contract provided personnel lift and logistic support for the United Nations air, ground and naval forces in Japan and Korea.

Fighter interceptor aircraft of the United Nations Command air forces continued their mission of maintaining air superiority over Korea and providing a screening force for fighter bombers cutting rail lines. Certain changes, which may prove to be significant, were noticed in the pattern of enemy air activity. Communist jet aircraft were encountered in smaller formations and at lower altitudes than previously noted and were apparently more willing to engage in combat. United Nations Command fighter bombers highlighted their activity by a massive raid on a Communist supply and manufacturing center southwest of Pyongyang. The fighter bombers continued the systematic cutting of main rail lines, flew regular armed reconnaissance missions and provided close air support to ground units in the almost stationary ground battle against the Communist forces. Light bombers were utilized on night armed reconnaissance missions to attack trains and vehicular convoys attempting to move under the cover of darkness. Medium bombers continued to knock out rail bridges and by-passes on the two main rail lines in northwest Korea to stop movement of enemy supplies from Manchuria.

In the area between Sinuiju and Sinanju and along the Yalu River, fighter interceptors encountered enemy MIG aircraft in formation of only three or four planes. Until recently the enemy fighters were appearing in much larger formations. The total number of enemy jets sighted during the period was slightly lower than reported during the first half of the month. However, the enemy aircraft were engaged in combat on forty occasions.

The heaviest aerial fighting occurred on 25 May when fighter interceptor pilots destroyed four MIGs and damaged one. During the day, ninety-three enemy jet aircraft were sighted and sixty engaged in sixteen separate battles. Ten of the engagements occurred when small groups of Red fighters attacked United Nations Command fighter bombers on rail cutting missions deep in enemy territory.

United Nations Command pilots reported a continued increase in the aggressiveness of enemy pilots; however, the fighter interceptors continued to attack the Communist jets at every opportunity resulting in a total score of eleven MIGs destroyed and five damaged.

Fighter bombers conducted a large scale attack on the Communist supply and manufacturing center near Kiyang-ni on 22 May. The fighter bombers hit military targets in this area on three consecutive days with capacity loads of bombs, rockets, napalm and .50 caliber ammunition in a closely timed operation which reduced the important storage and manufacturing center to charred rubble.

United Nations Command fighter bombers, after carefully planning attacks on the principal enemy rail lines, claimed extensive rail cuts and damage to road beds. Concentrated bombing in certain mountain pass areas caused landslides which blocked the railroad lines.

United Nations Command aircraft flew in direct support of United Nations ground forces providing an advantage not enjoyed by the Communist troops. These close support sorties and missions included pre-briefed attacks on the enemy's heavy artillery positions. In bomb, rocket and strafing attacks the enemy's gun positions were silenced, bunkers destroyed and casualties inflicted on Communist troops.

Night attacks on enemy truck convoys were conducted by United Nations Command light bombers resulting in the destruction of numerous vehicles trying to move supplies to the enemy's ground forces on the front lines. The light bombers continued to decrease the enemy's rail repair capability by dropping delayed fuse bombs at the points where fighter bombers had made daylight attacks on the rail lines.

Because of the tremendous bridge repair capability of the enemy, the United Nations Command medium bombers continued to concentrate their effort on the bridges along the rail lines between Sinanju and Sinuiju and between Kunuri and Kanggye. On the first line, traffic was blocked by three attacks which destroyed portions of the bridge at Kwaksan and by a single attack on the bridge

at Kogunygong. The bombers were not affected by the occasional passes made by enemy night fighters or by the anti-aircraft fire. Missions were scheduled against the Sinhungdong bridge, on the second line, on four occasions and post-strike photography showed the bridge to be out of commission after each attack. Traffic was also stopped on this line by three attacks on bridges near Huichon.

The Third Air Rescue Squadron of the United States Air Force continued to perform its rescue mission in support of the United Nations Command operations in Korea. On 18 May the Third Air Rescue Squadron, in two operations, successfully rescued United Nations Command personnel who had been downed within thirty and sixty-five miles respectively of the Communist air complex of Antung. These operations were effected while flying unarmed aircraft in the face of potentially overwhelming air opposition by the enemy.

In reporting the continued Communist obstruction of an Armistice Agreement, United Nations Command leaflets and radio broadcasts have made known the heroic determination of thousands of Communist prisoners to resist forcible repatriation at all costs. The United Nations Command media have shown how the action of these prisoners has for all time disproved the Communists' cynical pretense to speak for the people of Korea and China. Other United Nations Command broadcasts and leaflets have exposed the subservience of the Communist puppet regimes to alien interests inimical to Korea and China. Attention has also been focused on the inherently destructive character of Communism as manifested in Korea by its record of provoking internal strife, inculcating racial and national hatred, and ultimately in launching unprovoked and wanton aggression.

An Agreement on Economic Co-ordination between the Republic of Korea and the Unified Command was signed on 24 May 1952 at Pusan. (A copy of the Agreement is enclosed). The Unified Command Mission was headed by Mr. Clarence E. Meyer, Special Representative of President Truman, and the delegation of the Republic of Korea was headed by Finance Minister Paek Tu-chin.

The agreement provides for the establishment of a Combined Economic Board composed of one representative from the Republic of Korea, and one representative from the United Nations Command. The primary function of the Board is to promote effective economic co-ordination between the Republic of Korea and the Unified Command. Under the agreement, the Unified Command will assist the Republic of Korea Government in ascertaining their requirements for equipment, supplies and services; and within the limits of resources made available will provide food, clothing and shelter for the population as necessary to prevent epidemics, disease and unrest. The Unified Command will also assist the Republic of Korea in rehabilitation projects which will permit early indigenous production of necessities.

The Government of the Republic of Korea on its part has agreed to take further measures to prevent inflation, hoarding and harmful speculative activities; to apply sound, comprehensive, and adequate budgetary, fiscal and monetary policies, including maximum collection of revenue; and to maintain adequate controls over public and private credit. The Republic of Korea Government has also agreed to promote wage and price stability; to make the most effective use of all foreign exchange resources; and to maximize production for export.

In a corollary exchange of notes,<sup>3</sup> the United States has agreed to (1) pay for all whan drawn by the United Nations Forces and sold to United States personnel at the rate at which the whan was sold and (2) pay for all whan expended by the United States for *bona fide* military purposes during the period 1 January 1952-31 May 1952. The United States has also agreed to make a partial payment to the Korean Government of \$4,000,000 monthly for whan expended by United States Forces for

<sup>3</sup> Not printed here.



*bona fide* military purposes during the period 1 June 1952-31 March 1953. In addition, as soon as practicable, after 31 March 1953, the United States has agreed to make full and final settlement for all whan used between 1 June 1952 and 31 March 1953 for *bona fide* military purposes not previously settled. The Republic of Korea Government has agreed to utilize the proceeds of the sale of foreign exchange or imports derived from the payments in accordance with principles contained in the agreement. The above settlements are without prejudice to settlement of any other claims arising from the provision and use of currency and credits for periods prior to 1 January 1952 for which settlement has not yet been made.

[Enclosure]

## AGREEMENT ON ECONOMIC COORDINATION BETWEEN THE REPUBLIC OF KOREA AND THE UNIFIED COMMAND

24 May 1952

WHEREAS by the aggression of Communist forces the Republic of Korea became in need of assistance from the United Nations:

AND WHEREAS the United Nations by the resolution of the Security Council of 27 June 1950, recommended that members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area:

AND WHEREAS the United Nations by the resolution of the Security Council of 7 July 1950, recommended that members furnishing military forces and other assistance to the Republic of Korea make such forces and other assistance available to a unified command under the United States;

AND WHEREAS the United Nations, by the resolution of the Security Council of 31 July 1950, requested the Unified Command to exercise responsibility for determining the requirements for the relief and support of the civilian population of Korea and for establishing in the field the procedures for providing such relief and support;

AND WHEREAS it became necessary to carry out collective action against aggression on Korean soil;

AND WHEREAS, pursuant to the 7 July 1950, resolution of the Security Council of the United Nations, the Unified Command has designated the Commander-in-Chief, United Nations Command, to exercise command responsibilities in Korea;

AND WHEREAS the Unified Command has already furnished and is furnishing substantial assistance to the Republic of Korea;

AND WHEREAS it is desirable to coordinate economic matters between the Unified Command and the Republic of Korea, in order to insure effective support of the military forces of the United Nations Command, to relieve the hardships of the people of Korea, and to establish and maintain a stable economy in the Republic of Korea; all without infringing upon the sovereign rights of the Republic of Korea;

THEREFORE, the Republic of Korea and the United States of America acting pursuant to the resolutions of the Security Council of the United Nations of 7 July 1950, and 31 July 1950, (hereinafter referred to as the Unified Command) have entered into this agreement in terms as set forth below:

### ARTICLE I

#### *Board*

1. There shall be established a Combined Economic Board, hereafter referred to as the Board.
2. The Board shall be composed of one representative from the Republic of Korea and one representative of the Commander-in-Chief, United Nations Command (CINCUNC). Before appointing its representative each

party shall ascertain that such appointment is agreeable to the other party. The Board shall establish such subordinate organization as may be necessary to perform its functions and shall determine its own procedures. It shall meet regularly at an appropriate location in the Republic of Korea.

3. The primary function of the Board shall be to promote effective economic coordination between the Republic of Korea and the Unified Command. The Board shall be the principal means for consultation between the parties on economic matters and shall make appropriate and timely recommendations to the parties concerning the implementation of this Agreement. Such recommendations shall be made only upon mutual agreement of both representatives. The Board shall be a coordinating and advisory body; it shall not be an operating body.

4. The Board and the parties hereto will be guided by the following general principles:

(a) The Board will consider all economic aspects of the Unified Command programs for assistance to the Republic of Korea and all pertinent aspects of the economy and programs of the Republic of Korea, in order that each of the Board's recommendations may be a part of a consistent overall program designed to provide maximum support to the military effort of the United Nations Command in Korea, relieve the hardships of the people of Korea, and develop a stable Korean economy.

(b) It is an objective of the parties to increase the capabilities of the Republic of Korea for economic self-support so far as is possible within the limits of available resources and consistent with the attainment of fiscal and monetary stability.

(c) Successful conduct of military operations against the aggression of the Communists is the primary consideration of the parties. Accordingly, the command prerogatives of the Commander-in-Chief, United Nations Command are recognized; and the Commander-in-Chief, United Nations Command, shall continue to retain all authority deemed necessary by him for the successful conduct of such operations and the authority to withdraw and to distribute supplies and services furnished under this Agreement in order to meet emergencies arising during the course of military operations or in the execution of civil assistance programs. On the other hand, the prerogatives of the Government of the Republic of Korea are recognized, and the Government of the Republic of Korea shall continue to retain all the authority of a sovereign and independent state.

5. The Board shall make recommendations necessary to insure (a) that the expenses of the Board, and the expenses (i. e., local currency (won) expenses and expenses paid from assistance funds) of all operating agencies established by the Unified Command or the Republic of Korea to carry out assistance programs under this Agreement, shall be kept to the minimum amounts reasonably necessary, and (b) that personnel, funds, equipment, supplies and services provided for assistance purposes are not diverted to other purposes.

### ARTICLE II

#### *The Unified Command*

The Unified Command undertakes:

1. To support the recommendations of the Board to the extent of the resources made available to the Unified Command.
2. To require the Commander-in-Chief, United Nations Command, to designate his representative on the Board and to furnish to the Board such personnel and other necessary administrative support from the United Nations Command as the Board may recommend.
3. To furnish to the Board timely information on all civil assistance programs of the Unified Command and on the status of such programs.
4. Within the limitations of the resources made avail-

able by governments or organizations to the Unified Command, to assist the Republic of Korea in providing for the basic necessities of food, clothing and shelter for the population of Korea; for measures to prevent epidemics, disease, and unrest; and for projects which will yield early results in the indigenous production of necessities. Such measures and projects may include the reconstruction and replacement of facilities necessary for relief and support of the civilian population.

5. To ascertain, in consultation with the appropriate authorities of the Government of the Republic of Korea, the requirement for equipment, supplies, and services for assisting the Republic of Korea.

6. To provide for the procurement and shipment of equipment, supplies, and other assistance furnished by the Unified Command; to supervise the distribution and utilization of this assistance; and to administer such assistance in accordance with the above cited resolutions of the United Nations.

7. To consult with and to utilize the services of the appropriate authorities of the Government of the Republic of Korea, to the greatest extent feasible, in drawing up and implementing plans and programs for assisting the Republic of Korea, including the employment of Korean personnel and the procurement, allocation, distribution and sale of equipment, supplies and services.

8. To carry out the Unified Command program of assistance to the Republic of Korea in such a way as to facilitate the conduct of military operations, relieve hardship, and contribute to the stabilization of the Korean economy.

9. To make available in Korea to authorized representatives of the Government of the Republic of Korea appropriate documents relating to the civil assistance programs of the Unified Command.

### ARTICLE III

#### *Republic of Korea*

The Republic of Korea undertakes:

1. To support the recommendations of the Board.

2. To designate the representative of the Republic of Korea on the Board and to furnish to the Board such personnel and other necessary administrative support from the Republic of Korea as the Board may recommend.

3. To furnish to the Board timely information on the economy of Korea and on those activities and plans of the Government of the Republic of Korea pertinent to the functions of the Board.

4. While continuing those measures which the Government of the Republic of Korea has endeavored heretofore to make effective, to take further measures to combat inflation, hoarding, and harmful speculative activities; to apply sound, comprehensive, and adequate budgetary, fiscal, and monetary policies, including maximum collection of revenue; to maintain adequate controls over the extension of public and private credit, to provide requisite and feasible pricing, rationing and allocation controls; to promote wage and price stability; to make most efficient use of all foreign exchange resources; to maximize the anti-inflationary effect that can be derived from relief and other imported essential commodities through effective programming, distribution and sales; to provide the maximum efficiency in utilization of available production facilities; and to maximize production for export.

5. With reference to assistance furnished under this Agreement:

(a) To provide operating agencies which will develop and execute, in consultation with operating agencies of the United Nations Command, programs relating to requirements, allocations, distribution, sale, use and accounting for equipment, supplies and services furnished under this Agreement; to submit to the Board budget estimates of the expenses of such Republic of Korea

agencies; to include such estimates in the national budget; to defray those expenses from the resources available to the Government of the Republic of Korea, including, where the Board so recommends, such funds as may be made available under clause 7d (2) of this article; and to insure that such expenses are kept at a minimum. It is intended that such expenses will be defrayed from the general account revenues of the Republic of Korea when the economy of the Republic of Korea so permits.

(b) To permit the Commander-in-Chief, United Nations Command, to exercise such control over assistance furnished hereunder as may be necessary to enable him to exercise his responsibilities under the above cited resolutions of the United Nations.

(c) To achieve maximum sales consistent with relief needs and to be guided by the recommendations of the Board in determining what equipment, supplies, and services are to be distributed free of charge and what are to be sold.

(d) To require Republic of Korea agencies handling equipment and supplies furnished under this Agreement to make and maintain such records and reports as the Commander-in-Chief, United Nations Command, or the Board may consider to be necessary in order to show the import, distribution, sale and utilization of such equipment and supplies.

(e) To impose import duties or charges, or internal taxes or charges, on goods and services furnished by the United Nations Command only as recommended by the Board.

(f) To permit and to assist the authorized representatives of the Commander-in-Chief, United Nations Command, freely to inspect the distribution and use of equipment, supplies, or services provided under this Agreement, including all storage and distribution facilities and all pertinent records.

(g) To insure (1) that the people of Korea are informed of the sources and purposes of contributions of funds, equipment, supplies, and services and (2) that all equipment and supplies (and the containers thereof) made available by the Unified Command to the civilian economy of the Republic of Korea, to the extent practicable, as determined by the Commander-in-Chief, United Nations Command, are marked, stamped, branded, or labeled in a conspicuous place as legibly, indelibly, and permanently as the nature of such equipment and supplies will permit and in such manner as to indicate to the people of the Republic of Korea the sources and purposes of such supplies.

6. With reference to the assistance furnished under this Agreement which is to be distributed free of charge for the relief of the people of Korea, to insure that the special needs of refugees and other distressed groups of the population are alleviated without discrimination through appropriate public welfare programs.

7. With reference to assistance furnished under this Agreement which is to be sold:

(a) To sell equipment and supplies at prices recommended by the Board, such prices to be those designed to yield the maximum feasible proceeds.

(b) To sell equipment and supplies furnished under this Agreement for cash, unless otherwise recommended by the Board. If the Board should recommend that any such equipment and supplies may be sold to intermediate parties or ultimate users on a credit basis, the amount and duration of such credit shall be no more liberal than that recommended by the Board.

(c) To establish and maintain a special account in the Bank of Korea to which will be transferred the balance now in the "Special United Nations Aid Goods Deposit Account" at the Bank of Korea and to which will be deposited the gross won proceeds of sales of all equipment and supplies (1) furnished under this Agreement or (2) locally procured by expenditure of won funds previously deposited.

(d) To use the special account established in (c) above to the maximum extent possible as a stabilizing device and as an offset to harmful monetary expansion. To this end withdrawals from this account shall be made only upon the recommendation of the Board, only for the following purposes, and only in the following order of priority:

(1) For defraying reasonable local currency costs involved in carrying out the responsibilities of the Unified Command for relief and support of the civilian population of Korea, provided, however, that such local currency expenses shall not include won advances to the United Nations Command for its *bona fide* military expenses or for sale to personnel of the United Nations Command.

(2) For defraying such proportion of the reasonable operating expenses of operating agencies of the Government of the Republic of Korea provided under clause 5 (a) above as may be recommended by the Board.

(3) The balance remaining in this special account, after withdrawals for the above purposes have been made and after provision has been made for an operating reserve, shall periodically upon the recommendation of the Board be applied against any then existing indebtedness of the Government of the Republic of Korea to the Bank of Korea or to any other financial institution organized under the laws of the Republic of Korea.

8. To prevent the export from the Republic of Korea of any of the equipment or supplies furnished by the Unified Command or any items of the same or similar character produced locally or otherwise procured, except upon the recommendation of the Board.

9. To make prudent use of its foreign exchange and foreign credit resources and to utilize these resources to the extent necessary first toward stabilization (by prompt importation into Korea of salable essential commodities) and then toward revitalization and reconstruction of the economy of Korea. The use of such foreign exchange and foreign credit resources shall be controlled or coordinated as follows:

(a) All foreign exchange (both public and private) of the Republic of Korea accruing hereafter from indigenous exports, visible and invisible, except as described in (b) below, shall be controlled solely by the Government of the Republic of Korea.

(b) All foreign exchange (both public and private, and from whatever source acquired) now held by the Republic of Korea and that foreign exchange which, subsequent to the effective date of this Agreement, is derived by the Republic of Korea from any settlement for advances of Korean currency to the United Nations Command shall be used only as recommended by the Board.

(c) All foreign exchange described in (a) and (b) above shall be coordinated by the Board, in order to integrate the use made of such foreign exchange with the imports included in the Unified Command assistance programs.

10. In order properly to adapt the assistance programs of the Unified Command to the needs of the economy of Korea, and in order to coordinate imports under those programs with imports purchased with foreign exchange, to support the recommendations of the Board in making of periodic plans for the import and export of commodities and to use such plans as a basis for the issuance of export and import licenses.

11. In order to make most effective use of the foreign exchange resources of the Government of the Republic of Korea in stabilizing the Korean economy:

(a) To maximize the won proceeds from the sale of such exchange or from the sale of imports derived from such exchange.

(b) To apply such proceeds first against any existing overdrafts of the Government of the Republic of Korea upon the Bank of Korea, except as otherwise recommended by the Board.

(c) To hold or spend the balance of such won proceeds with due regard to the effect of such action on the total money supply.

12. To provide logistic support to the armed forces of the Republic of Korea to the maximum extent feasible and to furnish to the United Nations Command timely information concerning the details of this support in order to permit coordinated budgetary planning.

13. To grant to individuals and agencies of the Unified Command, except Korean nationals, such privileges, immunities, and facilities as are necessary for the fulfillment of their function within the Republic of Korea under the above cited resolutions of the United Nations, or as have been heretofore granted by agreement, arrangement or understanding or as may be agreed upon formally or informally hereafter by the parties or their agencies.

14. To insure that funds, equipment, supplies and services provided by the Unified Command or derived therefrom shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization or government, except upon recommendation of the Board.

#### ARTICLE IV

##### *Transfer*

1. The parties recognize that all or any portion of the responsibilities of the Unified Command may be assumed from time to time by another agency or agencies of the United Nations. Prior to such transfer, the parties shall consult together concerning any modification in this Agreement which may be required thereby.

2. It is the current expectation of the parties that the United Nations Korean Reconstruction Agency (UNKRA), established by resolution of the General Assembly of the United Nations of 1 December 1950, will assume responsibility for all United Nations relief and rehabilitation activities for Korea at the termination of a period of 180 days following the cessation of hostilities in Korea, as determined by the Unified Command, unless it is determined by the Unified Command, in consultation with the Agent General of the United Nations Korean Reconstruction Agency, that military operations do not so permit at that time, or unless an earlier transfer of responsibility is agreed upon.

#### ARTICLE V

##### *Existing Agreements*

This Agreement does not supersede in whole or in part any existing agreement between the parties hereto.

#### ARTICLE VI

##### *Registration, Effective Date, and Termination*

1. This Agreement shall be registered with the Secretary-General of the United Nations in compliance with the provisions of Article 102 of the Charter of the United Nations.

2. This Agreement shall enter into operation and effect immediately upon signature hereto. This Agreement shall remain in force so long as the Unified Command continues in existence and retains responsibilities hereunder, unless earlier terminated by agreement between the parties.

Done in duplicate in the English and Korean languages, at Pusan, Korea, on this — day of May, 1952. The English and Korean texts shall have equal force, but in case of divergence, the English text shall prevail.

IN WITNESS WHEREOF, the respective Representatives, duly authorized for the purpose, have signed the present Agreement.

For the Government of the Republic of Korea:

For the Government of the United States of America:

## Executive Director of Immigration and Naturalization Commission

The President's Commission on Immigration and Naturalization on September 16 announced the appointment of Harry N. Rosenfield of New York, formerly U.S. Displaced Persons Commissioner, as its Executive Director.

Mr. Rosenfield served for 4 years as a member of the Displaced Persons Commission, by Presidential appointment. The DP's Commission terminated its work on August 31, 1952. Previously, Mr. Rosenfield had been a member of the U.S. delegation to the U.N. Economic and Social Council and assistant to the Federal Security Administrator.

In announcing the appointment, Commission Chairman Philip B. Perlman, former Solicitor General of the United States, said: "The President's Commission is happy to be able to obtain the services of Commissioner Rosenfield as its Executive Director. His familiarity with this general field and his enviable reputation throughout the country will be of great assistance to the Commission in completing its important work within the short time at its disposal."

The Commission was established by the President on September 4, 1952, to "study and evaluate the immigration and naturalization policies of the United States," and was asked for its report by January 1, 1953. The President directed the Commission to give particular attention to the requirements of the immigration law, the admission of immigrants into the United States, and the effect of our immigration laws upon the Nation's foreign relations.

The Commission's first meeting was attended by all seven members, including Vice Chairman Earl G. Harrison and Clarence Pickett of Philadelphia; Rev. Thaddeus F. Gullixson of St. Paul, Minn.; Monsignor John O'Grady, Adrian S. Fisher, and Thomas G. Finnecane, all of Washington, D.C.

At the conclusion of its first session on September 17 the Commission will meet with the President at the White House.

## U.S. Delegations to International Conferences

### Congress of Housing and Urbanization

On September 19 the Department of State announced that the U.S. Government will participate in the twenty-first International Congress of Housing and Urbanization, to be held at Lisbon, September 21-27, 1952. The U.S. delegate will be B. Douglas Stone, International Housing Staff, Housing and Home Finance Agency.

This Congress is one of a series of international

meetings convened by the International Federation of Housing and Town Planning for the purpose of coordinating information on these subjects. The Federation, which is a semigovernmental organization and has consultative status with the United Nations, publishes a quarterly journal containing information on developments in housing in countries all over the world and acts as an international clearing house for information concerning housing.

While the United States is not a member, it has, upon the invitation of the Federation, also participated in several previous meetings of the Congress.

Delegates to the meeting at Lisbon will discuss town planning, housing economics, sanitation, and techniques and methods of using prefabricated materials and other materials not customarily used in house and building construction in the past.

## Libya's Application for Admission to U.N.

*Statement by Ambassador Warren R. Austin<sup>1</sup>  
U.S. Representative in the Security Council*

U.S./U.N. press release dated Sept. 16

The repetition of the unrealistic condition laid down in the case of the application of Libya is apparently the only obstruction in the path of the admission of that country, which is a creation of the United Nations. There is no realism in a position such as that to which we have listened today, when we view at the same time document S/2773, a draft resolution concerning the application of the Democratic Republic of Vietnam for admission to membership in the United Nations which was submitted by the representative of the Union of Soviet Socialist Republics on September 15, 1952. Apparently there is no logic in such a position.

Under the Treaty of Peace with Italy, the Four Powers agreed in advance that, if the disposition of Libya could not be worked out within a fixed period, they would submit the question to the General Assembly and carry out its recommendations. As we are aware, the fourth regular session of the General Assembly adopted a resolution providing that Libya be constituted an independent and sovereign state, with independence to become effective not later than January 1, 1952. When Libyan independence was proclaimed on December 24, 1951, as I have recalled in the Security Council, my Government announced its strong support for the immediate admission of Libya to membership in this organization. Libya's application for member-

<sup>1</sup> Made in the Security Council on Sept. 16. In the vote the same day, the U.S.S.R. cast its 51st veto to defeat Libya's application for admission.

ship was filed on January 3, 1952, and a few days thereafter—on January 18—Pakistan's draft resolution was put before the Security Council.

Today the members of the Security Council have the opportunity to consider the Libyan application in the light of the Charter. Membership in the United Nations is no more than Libya deserves from this organization, which is so intimately connected with Libya's creation. The United States most warmly supports the application of Libya and will vote in favor of it.

## **New Member Governments for Manganese-Nickel-Cobalt Committee**

The International Materials Conference (IMC) announced on September 17 that Italy, Japan, and Sweden have accepted invitations to be represented on the Manganese-Nickel-Cobalt Committee.

This brings to 14 the number of countries now represented on this Committee. They are Belgium, Brazil, Canada, Cuba, France, the Federal Republic of Germany, India, Italy, Japan, Norway, Sweden, the Union of South Africa, the United Kingdom, and the United States.

The three new member Governments have designated the following as representatives, alternates, and advisers:

### *ITALY: Representative*

Alberto Baroni, Director, Nickel Information Center, Milan

### *Alternates*

Clemente B. Colonna, Italian Technical Delegation, Washington, D. C.

Gino Cecchi, Italian Minerals Agency (AMMI), Rome

### *JAPAN: Representative*

Rynji Takeuchi, Minister Plenipotentiary

### *Alternates*

Shoichi Inouye, Commercial Counselor  
Keiichi Matsumura, Commercial Secretary  
Kiyohiko Tsurumi, Second Secretary

### *SWEDEN: Representative*

Hubert de Besche, Economic Counselor

### *Alternates*

Lennart Masreliez, Commercial Attaché  
Baron C. H. von Platen, First Secretary  
Anders Forse, Attaché  
Hans Colliander, Attaché

### *Adviser*

Gunnar Lilliekvist, Engineer, AB Avesta, Järnverk, Avesta

Italy is also presently a member of the Central Group and the Copper-Zinc-Lead, Pulp-Paper, Sulphur, and Wool Committees.

Japan is already represented on the Pulp-Paper and Tungsten-Molybdenum Committees of the IMC.

Sweden is represented on the Pulp-Paper, Sulphur, and Tungsten-Molybdenum Committees.

## **Current United Nations Documents: A Selected Bibliography<sup>1</sup>**

### **General Assembly**

**Information From Non-Self-Governing Territories: Summary and Analysis of Information Transmitted Under Article 73 e of the Charter.** Report of the Secretary-General. Summary of Information Transmitted by the Government of Belgium. A/2129/Add. 1, Aug. 28, 1952. 5 pp. mimeo; Summary of Information Transmitted by the Government of the Netherlands. A/2132, Aug. 22, 1952. 30 pp. mimeo; Summary of Information Transmitted by the Government of the United Kingdom of Great Britain and Northern Ireland. A/2134/Add. 2, August 1952. 112 pp. mimeo; A/2134/Add. 3, August 1952. 116 pp. mimeo; A/2134/Add. 5, Aug. 18, 1952. 81 pp. mimeo; A/2134/Add. 6, Aug. 1952. 40 pp. mimeo; Summary of General Trends in Territories Under United Kingdom Administration. A/2134/Add. 4, Aug. 18, 1952. 14 pp. mimeo.

**Constitutions, Electoral Laws and Other Legal Instruments Relating to the Franchise of Women and Their Eligibility to Public Office and Functions.** Memorandum by the Secretary-General. A/2154, Aug. 13, 1952. 12 pp. mimeo.

**Comments Received From Governments Regarding the Draft Code of Offences Against the Peace and Security of Mankind and the Question of Defining Aggression.** A/2162, Aug. 27, 1952. 37 pp. mimeo.

**Application of Vietnam for Admission to Membership in the United Nations.** Letter dated 7 August 1952 from the Minister for Foreign Affairs of Vietnam addressed to the Secretary-General. A/2168, Sept. 3, 1952. 5 pp. mimeo.

### **Trusteeship Council**

**Trusteeship Council Tenth Session, 27 February to 1 April 1952, Disposition of Agenda Items.** T/INF/24, Aug. 13, 1952. 54 pp. mimeo.

**Draft Report of the Trusteeship Council to the General Assembly Covering its Fourth Special Session and its Tenth and Eleventh Sessions (18 December 1951 to . . . July 1952).** Prepared by the Secretariat. T/L. 307, July 18, 1952. 61 pp. mimeo.

<sup>1</sup> Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

The United Nations Secretariat has established an Official Records series for the General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, and the Atomic Energy Commission, which includes summaries of proceedings, resolutions, and reports of the various commissions and committees. Information on securing subscriptions to the series may be obtained from the International Documents Service.

# The United States in the United Nations

[Sept. 15-26, 1952]

## Security Council

*Admission of New Members*—The Council, on September 12, voted to consider directly, without referral to its Committee on the Admission of New Members, the applications of Libya, Japan, Vietnam, Laos, and Cambodia for membership in the United Nations.

On September 16, the Council voted 10-1 (U.S.S.R.) on the Pakistan proposal to recommend the admission of Libya. The draft resolution was not adopted because of the negative vote of a permanent member of the Council.

Jacob A. Malik (U.S.S.R.), in explaining his negative vote, declared that, although his Government favored the admission of Libya, it was opposed to the admission of "favorites" of the United States and its supporters alone, while states equally qualified for membership were rejected.<sup>1</sup>

The application of Japan was considered at meetings on September 17 and 18. Ten members of the Council spoke in favor of the United States draft resolution calling upon the Council to recommend to the General Assembly the admission of Japan.

Warren R. Austin (U.S.) said that the "great nation" of Japan had succeeded in establishing a new structure of government and leadership versed in the ways of freedom and peace. Japan was a sovereign and independent state and already had "a long history of cooperation in many areas with the United Nations," he declared. The United States was "proud to recognize Japan's return to the international community of nations."

The vote on the admission of Japan, taken September 18, was 10-1 (U.S.S.R.). Mr. Malik, in explaining his stand, said that Japan was not an independent and sovereign state but "an American colony" and an American base for aggression in Korea and the Far East.

Mr. Austin, in commenting on some of the charges made by Mr. Malik, stated in part:

What Mr. Malik calls a separate peace treaty is a treaty with Japan signed by 48 states, all members of the United Nations or applicants for membership. . . . If the U.S.S.R. is still at war with Japan it is the choice of the U.S.S.R. Incidentally, the U.S.S.R. declared war on Japan but six days before the cessation of hostilities.

<sup>1</sup> For statement by Ambassador Warren R. Austin on Libya's application for admission, see p. 502.

The Soviet Union refused to become a party to the peace settlement with Japan reached at San Francisco. Efforts of the United States to consult with the U.S.S.R. were rebuffed during the preliminary stages of negotiations which led to the draft peace treaty. The U.S.S.R. sent a delegation to San Francisco ostensibly to be present on the occasion of signing the treaty. In fact, this delegation attempted to obstruct the conclusion of the treaty which, as I have said before, was signed by 48 states. . . .

The Soviet charges that Japan is undemocratic, that it is being tyrannized by the United States, and that its sovereignty is subject to United States control and therefore ineligible for membership in the United Nations have already been repudiated by the members of the Security Council who spoke yesterday in favor of Japan's admission to the United Nations.

The unity of ten out of the eleven members of the Security Council increases the strength and moral power of those countries of the world which believe the gospel of the Charter of the United Nations.

The applications of Vietnam, Laos, and Cambodia were considered together at meetings on September 18 and 19. Votes were taken separately on September 19 on the three draft resolutions submitted by France to recommend the admission of the three states. The result on each was 10-1 (U.S.S.R.).

In support of the applications of Vietnam, Laos, and Cambodia, Mr. Austin (U.S.) cited concrete ways in which each of these states has shown its desire "to make constructive contributions to the United Nations and to the principles of the Charter." He pointed out that all three are members of the United Nations Educational, Scientific and Cultural Organization, the Food and Agriculture Organization, the World Health Organization, the International Telecommunication Union, and the Universal Postal Union, and that Vietnam is also a member of the International Labor Organization.

Each of these states is also an associate member of the Economic Commission for Asia and the Far East.

Furthermore, Vietnam has made or pledged contributions to the United Nations program for Korea, Palestine, and technical assistance. Cambodia has made or pledged its contributions for Korea and technical assistance.

Later, on September 19, a vote was taken on the Soviet draft resolution recommending the admission of the Democratic Republic of Vietnam for admission to membership. The vote, taken by a show of hands, was 10-1 (U.S.S.R.).

## Economic and Social Council (ECOSOC)

*Subcommission on Prevention of Discrimination and Protection of Minorities*—The Subcommission began discussions September 22 on the question of what further action the United Nations should take to help reduce prejudice and remove discrimination. A resolution adopted at the last General Assembly session declared that these are "two of the most important branches of the positive work undertaken by the United Nations" and requested the Subcommission to propose practical steps to continue this work within the framework of the United Nations.

Among the subjects under discussion are discrimination in employment, in education, in residence and movement, in political rights, in immigration and travel, and in the right to choose a spouse. The Subcommission will recommend to the Economic and Social Council which of these studies should be initiated.

Members were elected by Ecococ to serve in their individual capacity as experts and not as representatives of their governments. Jonathan Daniels is the United States member. Other countries represented are India, Haiti, Ecuador, China, Sweden, the U.S.S.R., the United Kingdom, Belgium, Iran, and Poland.

At their first meeting, the experts sustained a ruling of the former chairman, M. R. Masani of India, that the Soviet proposal to unseat the Chinese expert was out of order. The vote was 8-2 (Poland, U.S.S.R.)-1 (India). H. Roy of Haiti was elected chairman of the fifth session.

In a statement at the second meeting, on September 23, Mr. Daniels observed that the Subcommission's past reports had been largely disregarded and that its work had not had an impact on the mind of the world. At this session, he advised, the Subcommission must demonstrate that it has "some relationship to reality."

### General Assembly

As the result of a drawing held September 23 in the Secretary-General's office, the delegation of the U.S.S.R. to the seventh General Assembly opening at New York October 14 will occupy the first position in the front row of the Assembly Hall, to the right of the President as he faces the delegates.

The other 59 delegations will be seated in alphabetical order.

*Committee on Administrative Unions*—The Committee at its first meeting September 23 elected A. D. Mani of India as chairman. Its function is to consider questions arising from the joint administration of a United Nations trust territory with neighboring territories in customs, fiscal, or administrative fields, in order to enable the General Assembly to arrive at conclusions as to whether such administrative arrangements are compatible with the United Nations Charter and the trusteeship agreements.

The Committee has before it a comprehensive report, already adopted by the Trusteeship Council, which analyzes administrative unions affecting certain trust territories. It is to submit its observations to the forthcoming General Assembly session.

Members in addition to the chairman are William I. Cargo (U.S.), Jacques Houard (Belgium), and Carlos Calero Rodrigues (Brazil).

*Committee on Information from Non-Self-Governing Territories*—In the course of the Committee's discussion of economic conditions in non-self-governing territories, William Cargo (U.S.) declared that the principles embodied in the Committee's 1950 report on education and its 1951 report on economic development coincide in general with the principles which the United States strived to attain in its territories. The United States Government, he said, would keep the Committee informed of developments relating to the special reports.

Mr. Cargo repudiated criticisms made by the Soviet representative. He pointed out that the Committee's special report on economic development recognized that considerable financial help to the non-self-governing territories was being provided by the metropolitan countries by loans or other forms of controlled investment.

This was true of the territories administered by the United States, Mr. Cargo said, and he was sure that it applied equally to other territories.

On September 16 the Committee completed discussion of economic conditions and began to discuss the main item before the present session—social conditions in non-self-governing territories. Speaking for the United States, Mason Barr, its special adviser on social matters, on September 17 described the progress achieved in the United States territories and the aid extended by the Federal Government. In connection with local programs, he spoke of the policy of matching the funds called for, dollar for dollar, sometimes three for one, with Federal aid. He also described the progress achieved in the fields of social security, old-age pensions, vocational training, and housing. In Puerto Rico, for instance, he said that 60 percent of the total budget was spent on education, health, and public welfare.

At the meeting on September 23, Henry Holle, special adviser to the United States delegation, cited the improvement in birth and death rates in the six U.S.-administered territories. He noted that research was carried on at the governmental level and through special grants which amounted to \$23,000,000 in 1951. During this same year these grants per capita had been five times greater in the territories than in the United States itself, he pointed out. The shortage of personnel, a foremost problem, would take time to solve, he added; in this connection, he called attention to the United States officials engaged in raising health standards throughout the world.

## Economic Development Program Recommended for Nicaragua

Recommendations for a 5-year program for the economic development of Nicaragua were made public on September 16 in the report of a mission sent to Nicaragua under the joint sponsorship of the Government of Nicaragua and the International Bank for Reconstruction and Development.

The mission's report was presented in Managua to Anastasio Somoza, President of the Republic of Nicaragua, by Robert L. Garner, Vice President of the International Bank.

In organizing this mission, the Bank departed from its usual procedure of sending a group of experts for 2 or 3 months and instead stationed two members of its staff in Nicaragua from July 1951 to May 1952. The mission was headed by E. Harrison Clark as special representative, with Walter J. Armstrong as engineering adviser. Specialists in various fields went to Nicaragua to assist in the work. In addition, the International Monetary Fund sent a mission on banking and credit.

The mission's objectives were to assist the government in the preparation of an over-all long-range development program, to advise the government on current economic policies as well as improvement in the existing administrative and financial structure to prepare the way for such a development program, and to coordinate the work of experts from the Bank and other agencies and to assist the government in carrying out their recommendations.

From its extensive travel in the country, the Bank's mission concluded that—

few underdeveloped countries have so great a physical potential for growth and economic development as does Nicaragua. By making effective use of its resources, the country can become, in the future, an important exporter of meat and dairy products and of a diversified list of other agricultural products. It should continue as a producer of timber and minerals. It should develop a sound and well-balanced relationship between industry and agriculture.

The mission found that the Government of Nicaragua was fully aware of the needs of the country and desired to push ahead with economic development. In line with recommendations of the mission, the Government already has (a) brought into operation a National Economic Council to coordinate the development effort; (b) completed plans for a National Development Institute to plan and finance the long-range agricultural and industrial program; (c) undertaken a sharp increase in development expenditures to go into effect in 1952-53; (d) taken steps for a major fiscal reform, including the proposed introduction of an income tax, more effective enforcement of existing direct taxes, and a revision of the tariff system. Other measures, undertaken before the mission's arrival, have resulted in increased internal financial stability.

The program formulated by the mission is designed to help the country move forward simultaneously in health, education, transportation, agriculture, industry, and power. The program aims within the next 5 years to increase real per capita income by 15 percent and to increase the physical volume of agricultural and industrial production by 25 percent.

The population is small in relation to the area of the country, and as development proceeds labor shortages may occur in some sectors of the economy. The mission believes, however, that modern industrial and agricultural techniques can offset this handicap.

The mission lists the following specific objectives:

(a) completion of a major highway network (now being constructed under a Bank loan) linking Managua with Granada, León, Chinandega, Jinotega, San Juan del Sur, the Tuma Valley and with the east coast; (b) establishment of a complete network of farm-to-market roads; (c) modernization of the railway; (d) rehabilitation of the major ocean ports and improvement of lake transportation; (e) establishment of pure water and sanitation facilities in the main towns and many of the smaller communities; (f) expansion of the present power capacity of Managua to triple its present size and formation of a network to connect with other important cities; (g) increasing the number of coffee trees by 25 percent and expansion of cattle production to the status of a major industry; (h) establishment of several new industries, as well as a number of grain-storage plants; (i) reduction in the rate of illiteracy and a rise in vocational and technical education and training; (j) creation of an adequate medium and long-term credit system and technical assistance for industry and agriculture.

The mission recommends a minimum program of investment of 59 million dollars and an optimum program of 76 million dollars during the period 1952-57. Under either program, about half the expenditures would be in foreign exchange. The mission believes that these investment goals are within the capacity of the country.

The mission found that in every sector of the economy high disease rates, low standards of nutrition, and low educational and training standards are the major factors inhibiting the growth of productivity. Farm mechanization, improved transportation, and modern industrial machinery will increase total production, but this increase will be limited unless there is basic improvement in the health and living conditions of the country's limited working population. Community

### Corrections

BULLETIN of Aug. 18, 1952, p. 245. The italic sentence, under the heading "German Elections Commission Adjourns Indefinitely," should read as follows: *The following was released to the press at Geneva on August 5 by the United Nations Information Center.*

BULLETIN of Sept. 15, 1952, p. 385. Last sentence of footnote 1 should read: See p. 390.



ction in cooperation with government agencies suggested to meet the twin problems of health and education.

In the agricultural sector, the mission's first recommendation is that coffee production be increased, in view of the quality of the crop and the favorable conditions for cultivation. The mission believes that production should be raised both by new plantings and by improved management of existing plantings. The program for agriculture would also provide for improvement and expansion of the cattle industry, increased production of vegetable oils, organization of an oil-conservation program, construction of additional crop-storage capacity, development of irrigation, initiation of land-use studies, and establishment of a forestry service.

New industries recommended include milk-concentration and pasteurization plants, modern slaughterhouses, vegetable-oil processing plants, and a small feed-mixing plant. Further study may show that such industries as hardboard mills and wire-products manufacture are possible. The pressing need for textile processing facilities is now being filled through private investment.

The report points out that although hydroelectric-power development is possible, the basic technical data is lacking. The present urgent power needs should be filled through the installation of steam-generating facilities until such time as it is possible to develop hydroelectric resources.

Wherever it went, the mission found impressive evidence of development stimulated by the building of roads. Whole areas once isolated from the capital now trade with it daily, and a considerable amount of international freight is now being hauled on the Inter-American Highway. Many regions, however, are still dependent upon slow and expensive methods of transporting crops to market. Since rapid economic gains may be expected from the opening of these regions, the mission puts major emphasis on the completion of the primary highway system as well as a network of farm-to-market roads.

## Current Legislation on Foreign Policy

Admission of 300,000 Immigrants. Hearings Before Subcommittee No. 1, Committee on the Judiciary, House of Representatives, 82d Cong., 2d sess. on H.R. 7376, A Bill To Authorize the Issuance of Three Hundred Thousand Special Nonquota Immigration Visas to Certain Refugees, Persons of German Ethnic Origin, and Natives of Italy, Greece, and the Netherlands, and for Other Purposes. May 22, 23, June 2, and 3, 1952. Serial No. 17. Committee print. 232 pp.

Federal Supply Management (Overseas Survey). Conferences Held by a Subcommittee of the Committee on Expenditures in the Executive Departments (name changed to Committee on Government Operations, July 4, 1952), House of Representatives, 82d Cong., 1st sess. Oct. 10, 11, 12, 16, 17, 18, 19, 22, 23, 24, 27, 28, 29, Nov. 1, 2, 3, 5, 12, 13, 14, 16, 17, 19, 20, 21, 23, 24, 26, and 28, 1951. Committee print. 1463 pp.

Institute of Pacific Relations. Hearings Before the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary, U.S. Senate, 82d Cong., 2d sess. on the Institute of Pacific Relations. Part 12. March 28, 29, 31, and Apr. 1, 1952. Committee print. 322 pp.

## THE DEPARTMENT

### Appointment of Officers

Alfred H. Morton as Head of the Voice of America, effective October 1.

Parker T. Hart as Director, Office of Near Eastern Affairs, effective June 18.

Clarke L. Willard as Chief, Division of International Conferences, effective July 15.

John W. Ford as Chief, Division of Security, effective July 21.

Edward S. Maney as Chief, Visa Division, effective Aug. 30.

## THE FOREIGN SERVICE

### Appointments

John M. Cabot as Ambassador to Pakistan; effective September 17.

Jack K. McFall as Minister to Finland, effective September 10.

### Check List of Department of State Press Releases: Sept. 15-19, 1952

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington 25, D.C.

Press releases issued prior to Sept. 15 which appear in this issue of the BULLETIN are Nos. 711 of Sept. 9 and 727 of Sept. 12.

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732	9/15	Soviet propaganda on germ warfare
*733	9/16	Exchange of persons
*734	9/16	Exchange of persons
†735	9/16	Civil aviation organization
736	9/17	Acheson: European unity
*737	9/17	Exchange of persons
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†739	9/18	Pt. 4 aid to Iran on division of land
740	9/19	Housing and urbanization congress
741	9/19	Proclamation of Venezuelan agreement
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